AGFA-GEVAERT

Annual Report 2022

AGFA

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AGFA

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Dear shareholder,

Pascal Juéry,
CEO

Frank Aranzana,
Chairman of the Board of Directors

This year, beyond the odds of unprecedented economic and geopolitical instability, we continued with our unwavering focus on the future and reached key milestones in our transformation process.

We and other businesses around the world were severely impacted by events in Ukraine, Covid lockdowns continuing to disrupt people's lives and economic activity, particularly in China, a global slowdown and unprecedented levels of inflation. Input costs for raw materials, energy, packaging, transportation and salaries increased and supply chains were disrupted.

Despite these difficult circumstances, our teams across the world pulled together with resolve. We remained consistent and disciplined in our approach of focusing our business on growth markets, even if this led to difficult decisions at times, and honed our focus on our three main growth drivers: Healthcare IT, Digital Printing and our world leader electrolysis membrane for the production of green hydrogen, Zirfon.

We are also proud to say that we made significant and concrete advances with regards to our sustainability policy in terms of both people and environmental impact.

Shaping the company for future growth

CHOOSING WHAT WE WORK ON

In 2022, 80 percent of our business was in mature or declining markets. In 2023 this will shift to just 50 percent, with the rest of our focus on areas of growth.

In 2022 we acquired Inca Digital Printers, a leading developer and manufacturer of advanced high-speed printing and production technologies, allowing us even greater access to the growing digital print market. We also received the prestigious essenscia Innovation Award 2022 for our groundbreaking Zirfon membrane technology.

At the other end of the spectrum we entered into a divestment agreement with AURELIUS Group for our Offset division which will allow our colleagues in that division their greatest chance of continued success and allow Agfa to refocus its efforts in growing market segments.

CHOOSING HOW WE WORK

In our efforts to build a simple, agile and future-oriented organizational model, we took steps to re-organize our financial services and partnered with Atos for our internal IT operations.

We streamlined our approach to Direct Radiology, giving it its best chance of success, but also leading to the decision to restructure our business and close our historic Munich site, re-dispatching staff to alternative offices or home working solutions.

In support of our strategic transformation, we invested 5.4% of sales in research & development in 2022, demonstrating our ongoing commitment to develop innovative solutions that offer significant added value to our customers and, by extension, to society at large.

Growing sustainably

Sustainability in all its forms is extremely important to us. We continue to make efforts in all areas, strive to improve year upon year, and aim to lead by example in all of the industry sectors that we represent.

We are happy to have already made some significant strides in terms of Diversity, Equality & Inclusion in 2022 with the creation of our Global DEI Council. We also saw the creation of three Employee Resource Groups (ERGs) covering the topics of Gender, Ethnicity and Collaboration Between Generations – each led by a volunteer member of staff.

We continued to decrease our greenhouse gas emissions in 2022. We made the decision to invest in our Mortsel manufacturing installations to further decrease site emissions by 15% and we are stepping up investments in our energy transition. 100% of the volume of bought electricity for our Belgian sites now comes from renewable resources.

We also ran our first ever Agfa-wide engagement survey in 2022 with almost 70 percent participation. Initiatives have already been put in place to help close gaps on certain topics and enable smoother communication throughout the organization. This will continue to evolve as we also take a closer look at our company culture.

Our EcoVadis rating went up slightly in 2022, and although our rating continues at the bronze level, we are confident that our ambition of reaching a silver rating by 2025 can be achieved.

Financial results for the Agfa-Gevaert Group in 2022

RESULTS

Excluding currency effects, our Group's top line increased by 1%, driven by the HealthCare IT and Digital Print & Chemicals divisions.

Due to increased momentum in the second half of the year, HealthCare IT's top line increased in North America and Europe versus the previous year. The growth was driven by the revenue recognition from a number of important contracts, as well as a stabilization of recurring revenue. The very positive development of order intake shows that the strategy we developed for our activities in the very competitive Healthcare IT markets is bearing its fruit. The conversion of sales growth in adjusted EBITDA however was delayed by post-COVID reinvestments in R&D and commercial efforts.

The Radiology Solutions division's medical film business was heavily affected by the COVID lockdowns in China. In many areas of the country, the lockdowns prevented people from visiting the hospital for exams and treatment. The Direct Radiography business' revenue started to pick up in the second half of the year. Strong sales growth was recorded in ASPAC and LATAM. Furthermore, the order book for Direct Radiography remains strong. The division's profitability suffered from margin and volume pressure in China.

Digital Print & Chemicals' revenue increase was mainly based on the strong growth that was recorded in the sign & display business. It's also good to see that our Zirfon membranes for green hydrogen production are now taking off. In 2022, we ramped up production to a steady regime, and in March 2023 the Board of Directors validated an investment for a new industrial unit for Zirfon at our site in Mortsel, Belgium. The division's profitability however was strongly impacted by cost inflation and one-offs.

Thanks to price increases, the revenue of the Offset Solutions division remained stable.

Our Group's gross profit margin remained stable at 28.5% of revenue, mainly due to price increase actions to tackle the strong impact of cost inflation and supply chain issues.

The Group's adjusted EBITDA decreased by 9% versus 2021 due to continuing cost inflation, lockdowns in China and softer demand in non-Healthcare markets.

The Group's net loss was mainly driven by non-cash impairment charges and by excess tax expenses related to the Offset Solutions carve-out and the impairments.

The Group's net cash position decreased from 325 million Euro at the end of 2021 to 72 million Euro at the end of 2022. The cash position was impacted by the Inca acquisition, the share buy-back program, the Group's transformation efforts, as well as the working capital increase driven by cost inflation and supply chain issues.

OUTLOOK

For the Group as a whole, we expect a recovery in profitability in the full year 2023 versus 2022.

We believe that the growth strategy we designed for HealthCare IT will deliver top line growth, as well as double-digit adjusted EBITDA growth in 2023.

For Radiology Solutions stability is expected, with continuous margin pressure for medical film. Furthermore, we expect the progress in Direct Radiography that was recorded in the second half of 2022 to continue.

Finally, we anticipate that Digital Print & Chemicals will be able to restore profitability, based on pricing, cost improvement actions and positive contributions from the Inca acquisition and Zirfon membranes. The revenue generated by Zirfon will continue to grow very strongly.

What's on the horizon for 2023

2023 will be a turning point for us. For the first time in 36 years we will see the building of a new industrial plant at our Belgian HQ where we will be ramping up production of our Zirfon membrane, while our total number of shift work hours at the plant will increase for the first time since 2017. This is a great illustration of the repositioning of our company towards further growth.

We do not expect this year to be easy however, as many of the external circumstances that we are currently experiencing will continue well into 2023 and perhaps beyond. But the road ahead is clear and we will renew our efforts to manage the company for its long term future. Building on our legacy, we will continue to innovate not just in what we do, but in how we do it - ultimately to delight our customers and end users to the best of our ability.
We will do this with our dedicated workforce spread across the world – teams of motivated individuals without whom we could not achieve our goals or follow our chosen course for growth into 2023 and beyond.

We would like to thank our customers and distributors for the trust they placed in our company – we are committed to continue supporting them with the most advanced, quality and reliable products and services. We would also also like to thank our people – the combination of their motivation, skills and strive for excellence forms a solid basis for the success of our ongoing transformation program. Last but not least, we would like to thank our shareholders for their continued support and confidence over the past year.

KEY FIGURES

MILLION EURO	2018	2019 (2)(3) Re-presented	2020	2021	2022
PROFIT OR LOSS					
Revenue	2,191	1,975	1,709	1,760	1,857
Change vs. previous year	-8.0%	-9.9%	-13.5%	+ 2.9%	+5,5%
HealthCare IT	490	241	230	219	244
Share of group sales	22%	12%	14%	12%	13%
Radiology Solutions	514	536	485	464	462
Share of group sales	24%	27%	28%	26%	25%
Digital Print & Chemicals	337	355	289	330	372
Share of group sales	15%	18%	17%	19%	20%
Offset Solutions	850	843	704	748	779
Share of group sales	39%	43%	41%	43%	42%
Gross profit	701	589	494	497	528
Results from operating activities	62	(34)	(52)	9	(160)
Net finance costs	(39)	(36)	(31)	(8)	(19)
Income tax expense	(34)	(14)	(15)	(15)	(42)
Profit (loss) for the period	(15)	(48)	621	(14)	(223)
Attributable to owners of the Company	(24)	(53)	613	(17)	(221)
Attributable to non-controlling interests	9	5	7	4	(2)
Restructuring/non-recurring expenses	(66)	111	88	33	(192)
Adjusted EBIT	128	77	36	42	31
Adjusted EBITDA	182	153	99	104	94
CASH FLOW					
Net cash from (used in) operating activities	(44)	123	(153)	(116)	(100)
Capital expenditures (1)	(40)	(38)	(33)	(26)	(33)
STATEMENT OF FINANCIAL POSITION - DECEMBER 31					
Equity	290	130	620	685	561
Net financial debt	144	219	(502)	(325)	72
Current assets minus current liabilities	607	473	952	742	568
Total assets	2,367	2,294	2,204	2,095	1,756
SHARE INFORMATION (EURO)					
Earnings per share (eps)	(0.14)	(0.32)	3.66	(0.11)	(1.41)
Net operating cash flow per share	(0.26)	0.88	(0.81)	(0.65)	(0.55)
Gross dividend	-	-	-	-	-
Number of outstanding ordinary shares with voting rights at year-end (4)	167,751,190	167,751,190	167,751,190	160,438,653	154,820,528
Weighted average number of ordinary shares	167,751,190	167,751,190	167,751,190	165,003,570	156,236,319
EMPLOYEES (AT YEAR END)					
Full time equivalent permanent (active)	9,662	7,892	7,337	6,993	6,580

(1) For intangible assets and property, plant and equipment.
(2) The Group has initially applied IFRS 16 at January 1, 2019, using the modified retrospective approach. Under this approach, comparative information is not restated. There has been no impact to retained earnings of initially applying IFRS 16 at the date of initial application. Figures 2018 and 2019 relate to continuing operations.
(3) Compliant with IFRS 5.33, the Company has disclosed in its Consolidated Statements of Profit or Loss and Comprehensive Income, a single amount comprising the total of the post-tax profit of discontinued operations and the post-tax gain on the disposal of the net assets constituting the discontinued operation. The Group has sold its reseller business in the US (July 2019) and part of Agfa HealthCare's IT business (May 2020). Therefore, the Company has re-presented these disclosures for prior periods presented being FY 2019.
(4) See Note 12 p. 181

Company Profile

The Agfa-Gevaert Group is a leading company in imaging technology, with over 150 years of experience. Agfa develops, manufactures and markets analogue and digital systems for the printing industry, the healthcare sector, and specific industrial applications. The Group holds four divisions: HealthCare IT, Radiology Solutions, Digital Print & Chemicals and Offset Solutions. The Agfa-Gevaert Group's financial reporting is based on this divisional structure.

GLOBAL PRODUCTION AND SALES NETWORK

The Agfa-Gevaert Group's headquarters and parent company are located in Mortsel, Belgium. The Group's largest production and research centers are in Belgium, the United States, Canada, Germany, Austria, China and Brazil. Worldwide the Group is commercially active through wholly owned sales organizations in more than 40 countries. In countries where it does not have its own sales organization, the market is served by a network of agents and representatives.

HealthCare IT

The HealthCare IT division supports healthcare professionals across the globe with secure, effective and sustainable imaging data management. Focused on its robust and unified Enterprise Imaging Platform, the division helps its clients manage resource allocation, improve productivity and provide clinical confidence with patient-centric contextual intelligence. With its core commitment on delivering value, Agfa HealthCare's technology suits multi-specialty requirements and securely standardizes workflows, to collaborate seamlessly between departments and across geographies. From product development to implementation, Agfa HealthCare's best-of-suite Imaging IT software solutions are purpose-built to reduce complexity and support healthcare providers to achieve their clinical, operational and business strategies.

Radiology Solutions

The Radiology Solutions division is a major player in the diagnostic imaging market, providing analogue and digital imaging technology to meet the needs of specialized clinicians in hospitals and imaging centers around the world. Agfa's innovative imaging equipment and its leading MUSICA image processing software set standards in productivity, safety, clinical value and cost effectiveness. With over 150 years of experience, Agfa helps its customers to improve the quality and efficiency of their patient care. Every single day, Agfa proves that medical imaging is part of its DNA.

Digital Print & Chemicals

The Digital Print & Chemicals division serves a great variety of industries. Building on Agfa's expertise in chemistry and its deep knowledge of the graphic arts industry, the division has a leading position in inkjet printing. Agfa supplies sign & display printing companies with a range of highly productive and versatile wide-format inkjet printers with matched inks, powered by dedicated workflow software. In addition, it develops high-performance inkjet inks & fluids for industrial inkjet applications, enabling manufacturers to integrate print into their existing production processes. It also offers dedicated functional inkjet inks to specific hi-tech industries such as the printed electronics industry. Furthermore, the division supplies electrolysis membranes to the hydrogen production industry, as well as a range of printable synthetic papers. The product assortment is completed by films for non-destructive testing, aerial photography and printed circuit board production.

Offset Solutions

The Offset Solutions division is a global leading supplier to the offset printing industry, offering commercial, newspaper and packaging printers the most extensive range of integrated prepress and printing solutions. These span the entire prepress workflow right up to press with computer-to-plate systems using digital offset printing plates, pressroom supplies and state-of-the-art software for workflow optimization, color management, screening and print standardization. Agfa's sustainable innovations for offset printing bring value to printing companies in terms of ecology, economy and extra convenience — or ECO^3.
In August 2022, the Agfa-Gevaert Group signed a share purchase agreement with AURELIUS Group for the sale of its Offset Solutions division. Both parties aim to complete the transaction in the course of April 2023.

Agfa in the world

Agfa's major manufacturing and R&D centers

"Here at Agfa, we're committed to making a positive difference in the lives of our customers, end-users, patients and the planet as a whole. Our innovative, customer-centric approach to digital information systems and imaging, spanning markets as diverse as healthcare, graphics, the industrial specialty sector and energy transition, has been built on over 150 years of world-class expertise. We're committed to answering the needs of today's customer while innovating for tomorrow's world in a responsible, transparent and sustainable way."
Pascal Juéry, CEO of the Agfa-Gevaert Group

Highlights 2022

JANUARY 31 - The European Digital Press Association rewards no less than three Agfa innovations introduced in 2021: the Jeti Tauro H3300 UHS LED hybrid large-format printing press, the InterioJet water-based décor paper printing press for laminate surfaces and the Alussa leather printing system.

FEBRUARY 1 - Nathalie McCaughley joins the Agfa-Gevaert Group as President of the HealthCare IT division. She is a seasoned global leader in healthcare IT with more than 20 years of experience in various sales and general management roles.

MARCH 8 - Spire Healthcare, one of the UK's largest providers of private healthcare, chooses Agfa's DR solutions, powered by MUSICA®, for a significant number of its 40 hospitals.

MARCH 9 - Thyssenkrupp nucera signs a purchase contract with Agfa for the supply of a significant volume of Agfa's ZIRFON separator membranes to be used in large-scale hydrogen projects.

APRIL 5 - The latest Middle East & Africa PACS 2022 report by KLAS Research highlights Agfa HealthCare as one of the most frequently considered vendors in the Middle East and Africa.

APRIL 7 - Atos and Agfa conclude a major partnership according to which Atos will accompany Agfa in its digital transformation. Atos will provide and manage a major part of Agfa's internal IT services and will support the company's digital journey.

JUNE 1 - Agfa acquires UK based Inca Digital Printers, and thus strengthens the Group's position in the sign & display and industrial printing markets.

JULY 12 - Agfa receives the new European Medical Device Regulation (MDR) certification, which was issued by Intertek. The certification allows Agfa to continue innovating its radiology solutions to meet the latest customer needs and requirements.

JULY 13 - The 2022 Europe PACS report by KLAS Research confirms Agfa HealthCare to have one of the most expansive footprints, with strong customer bases. Moreover, Agfa HealthCare is validated for the largest imaging volumes – supporting customers handling around four million studies per year.

AUGUST 30 - Within the framework of its ongoing transformation process, Agfa signs a share purchase agreement with AURELIUS Group for the sale of its Offset Solutions division. The sale will enable Agfa to increase its focus on its growth businesses, which is crucial to its future success in its markets.

SEPTEMBER 19 - Agfa HealthCare is recognized in the Leaders category in the IDC MarketScape Vendor Assessment for Europe, and recognized for its industry expertise, analytics capabilities and integration engine. In November the same leadership position is confirmed for Agfa HealthCare's business in the United States.

SEPTEMBER 30 - Five of Agfa's inkjet printing solutions are honored with a Pinnacle Product Award from PRINTING United Alliance. The Pinnacle Product Awards recognize products that improve or advance the printing industry with exceptional contributions in quality, capability, and productivity.

OCTOBER 19 - Agfa receives the prestigious essenscia Innovation Award 2022 for its ZIRFON UTP 220 membrane technology. Essenscia is the Belgian chemical industry and life sciences sector federation.

NOVEMBER 27 - Agfa HealthCare Introduced 'That's life in flow' at RSNA, showing how Enterprise Imaging creates an optimal work experience for radiologists.

NOVEMBER 30 - For the 2nd consecutive year, Agfa HealthCare receives the prestigious recognition of Cybersecurity Transparent Leader, awarded by KLAS Research and Censinet. This shows the company's commitment to its clients to support them in the delivery of safe and secure patient care.

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Agfa Sustainability Report

About this report

The 2022 Agfa Sustainability Report is designed to present the Agfa Group's strategy, business model, governance, risks and opportunities, performance and future outlook with regards to sustainable development. This report is Agfa's opportunity to guide its stakeholders and any external readers in their understanding of the group's values, initiatives and overall progress made with regards to sustainability in 2022.

To ensure a thorough and comprehensive understanding of the Group's overall performance, this report should be read in conjunction with the entire 2022 Agfa Annual Report.

The information and data contained in this report cover the period from January 1, 2022 to December 31, 2022. Agfa publishes its Sustainability Reports on an annual basis – reports from previous years can be found on www.agfa.com.

This report has been prepared using the Global Reporting Initiative (GRI) standards as a main guideline of reference.

The UN 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) are used as a reference to highlight important strategic topics and realizations, as they provide us with an important framework to define and interlink our priorities and describe our impact. This helps us to define the objectives of our activities, the different implications at operational level, as well as our exchanges with peers.

This Annual Report complies with European Non-Financial reporting guidelines (converted into Belgian law of September 3, 2017).

The Agfa-Gevaert Group falls under the scope of the Taxonomy Regulation (Regulation (EU) 2020/852) and its Delegated Regulation (EU) 2021/2178.

Scope of the reported data and reporting process

Unless otherwise stated:

- The quantitative data reported for environmental performance cover all of Agfa's manufacturing sites and administrative facilities worldwide; sales organizations are excluded from the data scope. Each manufacturing site is responsible for its own data calculations. A global document of 'Definitions and Explanations' is made available to each site contact point to ensure data are calculated accordingly. Once a year, the global SH&E department based in Agfa's head office collects the sites' data for consolidation and external reporting using an Excel-based tool. While the quantitative data always refer to the full scope indicated above, to simplify the reading of this report we provide descriptive details on the management approach for some of the material topics solely for the sites that have the biggest contribution to the overall impact. In these instances, the scope of the management approach described is clearly stated in the text.

- The quantitative data reported for sections under 'Focus on our People' cover all Agfa group entities, i.e. manufacturing sites worldwide, administrative facilities and sales organizations. Individuals who have an employment contract with Agfa, including contracts with a temporary inactive (i.e. suspended) status, are in scope. Outsourced activities, external consultants, temporary staff hired from employment agencies (or on payroll of the agency) are excluded from the data scope.

- The quantitative data reported in the section on Diversity, Equality & Inclusion are globally collected by the HR department, using a single source SAP database to centralize the information. An internal report is generated monthly to monitor changes.

- The quantitative data reported in the section on Health & Safety are gathered by the global SH&E department based at Agfa's head office. Each manufacturing site is responsible for its own data submission to HQ and the format of reporting varies depending on the type of data reported – more information is provided in the dedicated section.

- The quantitative data reported for the 'Focus on Sustainable Performance' section covers all of Agfa's manufacturing sites, administrative facilities and sales organizations worldwide. In order to simplify the reading of this report, we provide descriptive details on the management approach for some of the material topics solely for the sites having the biggest contribution to the overall impact.

To share any feedback or questions related to the Agfa Sustainability Report, please visit our website: www.agfa.com/corporate/contact

Agfa's approach to sustainability management

"Sustainability is a critical focus for Agfa, as we recognize the importance of preserving the planet and its natural resources for future generations.

We understand that businesses have a significant impact on the environment and that we have a responsibility to minimize our ecological footprint. At Agfa, we are committed to implementing sustainable practices throughout our operations, including reducing our energy and water consumption, promoting responsible sourcing and reducing waste.

Our aim is to create value not only for our customers, but also for society as a whole, by helping to build a more sustainable future."

GUNTHER KOCH, *Agfa Head of Sustainability*

"I can see the impact of sensitivity to sustainable practices every day - and in everything we do – whether that be in relation to people, the environment, the way we produce and even our performance.

I firmly believe that it is our role to be a catalyst for change for a more sustainable world. As a company operating in the sectors that we do, we certainly don't have all the answers, but we want to be part of the solution.

Here at Agfa, we launched our Strategic Transformation Plan for Sustainability in 2020 and 2022 was a year of consolidation. We never took our eye off the ball, recorded some sustainability firsts and continued successes, but also pinpointed areas where more work had to be done.

2022 was also a year where a slew of new sustainability legislation was introduced. This presented a challenge, however it was also an invaluable opportunity to assess our sustainability approach on an even deeper level, leading to more specific initiatives with more concrete results.

Looking ahead, 2023 will be a year where we will progress at an even faster rate than before. Crucial to our success in terms of sustainability will be, I believe, our relationships with both internal and external stakeholders. Not only do each and every one of us have a part to play within the company, but our external stakeholders will be just as important, whether that be as partners, surveyors, or suppliers throughout our value chain."

JUSTINE CIRET, *Agfa Sustainability Manager*

HIGHLIGHTS 2022

We have been committed to sustainability

- Our Group Sustainability Management Policy has been published.
- Gunther Koch, CHRO & EMT member, has been appointed as new Head of Sustainability.
- Our Global Variable Bonus Plan has been linked to the achievement of ESG objectives for senior leaders.

We have increased sustainability awareness

- We have launched a global Diversity, Equality and Inclusion (DEI) Council along with three Employee Resource Groups to enhance our DEI strategy.
- A sustainability section has been added to our corporate website.
- Our CEO, Pascal Juéry, has presented our sustainability vision, actions and progress to Agfa employees at each Infotours (internal quarterly business updates) and at AgfaPolis, a HealthCare IT event in Ghent, Belgium.

Our effort has been recognized

- Agfa's sustainability performance has been awarded with an EcoVadis bronze medal.
- We have reached 1,000,000 hours without accident at the Suzano plant, in Brazil.
- Agfa's ZIRFON green hydrogen membrane has been awarded the essenscia Innovation Award 2022.

-10%

TOTAL WASTE VOLUME IN 2022

compared to 2021

91.2%

waste diverted from disposal

CO_2 emissions (Scope 1 & 2)

dropped to

128.9 *(ktons/year)*

VOC EMISSIONS DECREASED TO

35.4 *tons per year*

28.1%

of the total amount of aluminum used for the production of printing plates was recycled

Focus on our Planet

Our ambition

We believe that a thriving society is one based on a thriving natural ecosystem. Sustainability is a journey that will span over decades, yet climate change requires immediate action. As a manufacturing company, we acknowledge that our operations have a significant impact on the environment. Therefore, in order to contribute to counter-balancing this global challenge, Agfa supports the global objectives set by the Paris Agreement.

At Agfa, we are committed to continuously improving the balance between our environmental impact and our economic performance in our own operations. Equally importantly, we are committed to marketing sustainable products and solutions that enable our customers to contribute to the same objectives. New Agfa products are thus designed, developed and manufactured so that production, storage, transport, use, but also end-of-life waste management, have minimal impact on the environment based on our 'no sustainability throwback' principle.

We also make sure to serve markets that are key for the net-zero transition, such as the clean energy market, and strive to promote digital solutions that offer a more efficient use of resources and produce less waste than analog equivalents.

The fight against climate change requires commitment and cooperation on many fronts: proactive compliance with EU, local and national policies, voluntary measures tailored to our organization and the societal behavioral change needed to support such objectives. Climate action is and will be one of the main points of attention in our future plans, both in terms of reducing our operational impact and delivering increasingly better solutions to the market.

Our policies

Our values are reflected in the Group's Code of Conduct (CoC). To support the translation of the CoC into clear day-to-day processes, we rely on a series of policies and corporate guidelines, both at global and local level.

Our Corporate Sustainability Management Policy and our Safety, Health & Environment Policy are the main references driving the processes addressed in this chapter. Due to the nature of these topics, their management and focus are defined and coordinated at local level, both upon the basis of specific local and national legal requirements, and on the type of operations carried out at each plant. More details are given throughout the chapter.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

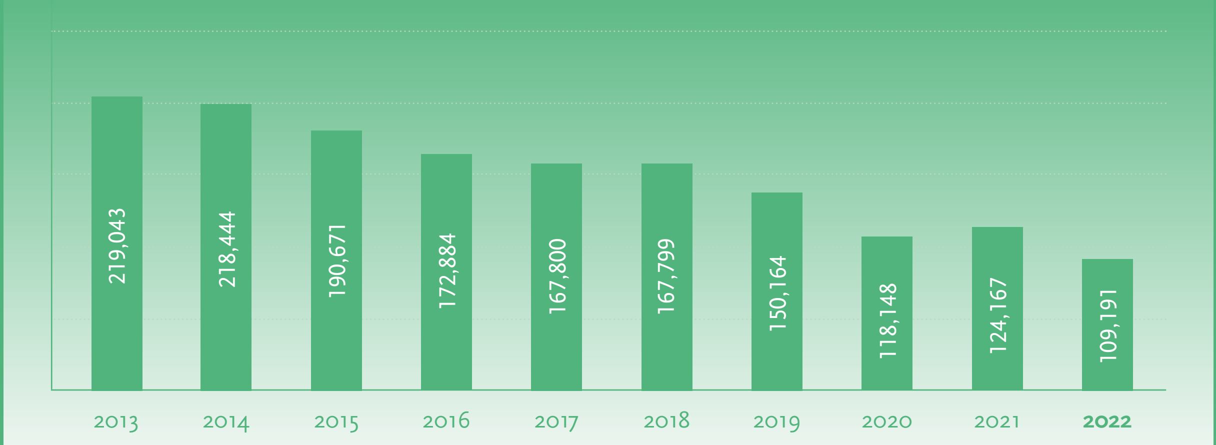
13 CLIMATE ACTION

2022 at Agfa *in a snapshot*

While sustainability was traditionally addressed at team and divisional level, since 2020 we have focused on building an overall corporate sustainability approach to frame and coordinate projects, resources and target setting between different geographies and departments. In 2022, we consolidated our efforts to serve our ambition and translated them into concrete actions and bold plans for the future. We also continued to invest resources to reduce our operational footprint (both in terms of energy use and CO_2 emissions), increase materials circularity and reduce waste generation.

While we are nowhere near the end of the journey, some improvements are already visible in many of these areas compared to 2015, the year in which the Paris Agreement was signed. Beneath is a summary of the main achievements of 2022, showing the results of our continuous commitment to the highest operational standards. The reported Key Performance Indicators must be interpreted in line with our worldwide volume by weight of manufactured products which, compared to 2021, decreased by 12.1%.

Production volumes (tons/year)



Compared to 2021, our film manufacturing plants decreased production volumes by 11.4% (total by weight), driven by a 15.1% decrease in the production of chemicals (including developing fluids) and an approximately 7.7% decrease in (PET) film production itself. The decrease in (PET) film production is a trend that has been continuing over the past years due to overall reduction of market demand.

Our global production of printing plates decreased by 12.8% in 2022 compared to the previous year.

Production volume by weight for equipment decreased by 3% in 2022. In terms of numbers, this includes approximately 775 units produced for graphics applications (in Cambridge, Manerbio and Mississauga sites) and approximately 19,970 units for medical applications (in Munich, Peiting, Peissenberg and Wuxi sites).

Agfa supporting local biodiversity

In September 2002, the Fund for the Conservation of Birds of Prey (F.I.R.) placed a peregrine falcon nest box on the 70-meter high 'GEVAERT' factory chimney of our Mortsel plant in Belgium. Since then, the beacon for everyone who visits our headquarters is now also a home for a peregrine falcon couple. In 2022, for the 16th year in a row, the couple came back to its nest and mom and dad took turns brooding their four eggs. Every Spring, the livestream of their return can be watched on our website:
www.agfa.be/slechtvalken.

This project is carried out with the support and cooperation of the local city of Mortsel, Natuurpunt Land van Reyen (an independent voluntary association that ensures the protection of vulnerable and endangered nature in Flanders)
and Vogelbescherming (a Belgian nature conservation organization).

1. Resource scarcity and efficiency (raw materials)

Relevance and boundaries

Reducing the use of raw materials, especially for non-renewable resources, is an essential step in achieving a circular economy. At Agfa, we do this by designing out waste and pollution, i.e. ensuring efficient use of the primary raw materials used as input in our operations and keeping products and materials in use by maximizing the recycling and reuse of any leakage and/or of any secondary material. The focus of this section of the report is on the recycling of raw materials.

Our management approach

Due to the relevance of our materials efficiency optimization process, we formally appointed one of our managers in our Belgium HQ to more efficiently coordinate our project proposal process so as to better contribute to circular economy.

Raw materials efficiency and recycling is coordinated at local level however and is normally material-stream specific. Each production line is in charge of mapping the mass balance between its inputs and outputs and identifies opportunities for improvement. Production managers are continuously scouting for new ideas and best available technologies are implemented wherever possible to ensure the highest standards in managing material flows, e.g. reducing losses, increasing output for unit of material input, etc.

More details are provided below for the streams of some key materials:

Aluminum
Aluminum has been an essential material for us, both for its intrinsic value to Offset Solutions products, but also for the environmental impacts of its production, e.g. a very high energy demand. To confirm that, in 2022, the European Commission included bauxite (the precursor of aluminum) to its list of 30 materials that are essential to the functioning and integrity of a series of industries and, at the same time, have a high supply risk.
We aim to raise the bar for the sustainable use of aluminum therefore and increase its use efficiency by:

- Implementing a circular supply chain model for our printing plates (from plate to plate);
- Recycling and preventing landfilling via secondary applications for scraps (from plate to secondary use).

Plastic
In the case of plastics, the urgency for action is even greater because, in many cases, existing infrastructure is not able to provide adequate collection and treatment for the materials placed on the market. This is why on the one hand we are committed to contributing to the development of new technologies and partnerships for transforming waste into value and, on the other, we are striving to participate in the creation of a market for secondary raw materials by incorporating recycled content into our own product portfolio.

Agfa is a leading company in the manufacture of polyester for photographic film applications. Polyester waste from the film production process, or used polyester coming back from our customers, is recycled in the form of shreds and reused in our production process. Our film consists of 60% new PET material and 40% recycled PET.

Here are some examples of multi-year projects we participate in with the view of contributing to turning plastic into value:

- Plastics to Precious Chemicals (P2PC) – a program to obtain precious chemicals that can compete with virgin oil-based or agro-based chemicals. This Flemish government funded project (VLAIO) involves the collaboration of a consortium of two SME's, three industrial partners and two academic partners to evaluate the use fractions of pyrolysis oil originating from plastic waste as a feedstock for the chemical industry;
- PET2VALUE for the upcycling of PET for use in high value applications via supply chain collaboration between Agfa-Gevaert NV, Centexbel, Luxilon, Tenco and BCF, UGent and the VUB. Partners will use PET-waste from Agfa's inhouse film processing and upcycle it into material that can be used to produce tennis racket strings and 3D printed bike parts, e.g. handlebars with comparable mechanical properties to the actual materials made of virgin polymers.

Operation Clean Sweep® for ZERO PELLET LOSS

Operation Clean Sweep® (OCS) is an international product stewardship program aimed at helping every plastic resin handling operation implement good housekeeping and pellet containment practices to work towards achieving zero pellet loss in the environment. Plastic pellets are produced, stored and transported in large volumes, so both the manufacturing industry and transport sector actors have a key role to play in supporting this initiative. Companies that sign this program's pledge are committed to implementing measures such as preventive and corrective actions against spills, employee training and accountability for spill prevention, containment, clean-up and disposal, performance monitoring, compliance with all applicable regulations governing pellet containment, etc.

Since 2018, Agfa has been supporting the initiative and mainly participates by controlling the spread of PET dust. We have set up specific actions in our finishing processes to prevent the loss of plastic chips, grains and dust. For instance lighting in the waste collection room has been optimized, chips from cutting lines are now transported in closed instead of open containers and we prevent packaging breakage in transport pipes and sleeves. In addition, we have worked with the SGS company to carry out an inventory of potential emission points to define where strict measuring is needed.

In light of the above, we have set up prevention and awareness raising programs among employees by including relevant information in our regular information tours and planning observation rounds on this topic, as well as writing articles in our internal magazine and hanging posters and banners around the plant. Employees are also instructed to report any finding to a dedicated team.

Renewable raw materials
The use of renewable feed stock instead of fossil based raw materials is something that is on the radar of our Research & Development efforts. The likelihood of using such materials depends on the possibility of maintaining the same technical performance and ensuring the economic viability of the final products. Limitation also resides in the fact that it must be considered in view of the whole product life cycle to avoid that the initial substitution of material by renewable ones does not generate a negative outcome at a later stage of the life cycle.

An example of our actions related to renewable raw materials is the Tune2Bio project, a government funded project (VLAIO) that seeks to develop the knowledge and expertise needed to tune the biodegradability of (bio)polyesters for more sustainable plastic applications. With the support of Centexbel and KU Leuven, Agfa, together with Oleon, Sioen and Bio4plastics, are working on film-based products and processes to reach proof of concept for new and more sustainable products.

Silver
We produce silver-based light sensitive films for imaging products that serve for many applications. Silver halide technology is key in X-ray technology and other medical applications and is also used to test materials for their safety in a non-destructive way, e.g. pipelines, cars, airplanes, etc. The captured X-ray images are recorded on light sensitive films for diagnosis, consultation and archiving.

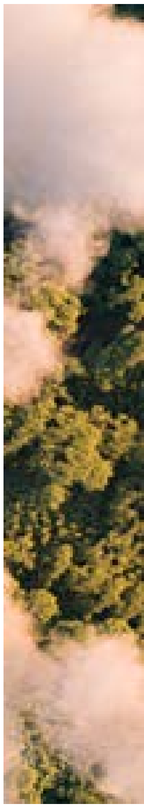
Thanks to its low contact resistance and high electrical and thermal conductivity, silver is also used in complex Printed Circuit Boards (PCBs) that control all electronic devices. Silver is therefore an essential material to our business and we make efforts to recuperate and recycle it as much as possible. Measures to reduce production losses vary between technological improvements and the education of operators, whenever necessary.

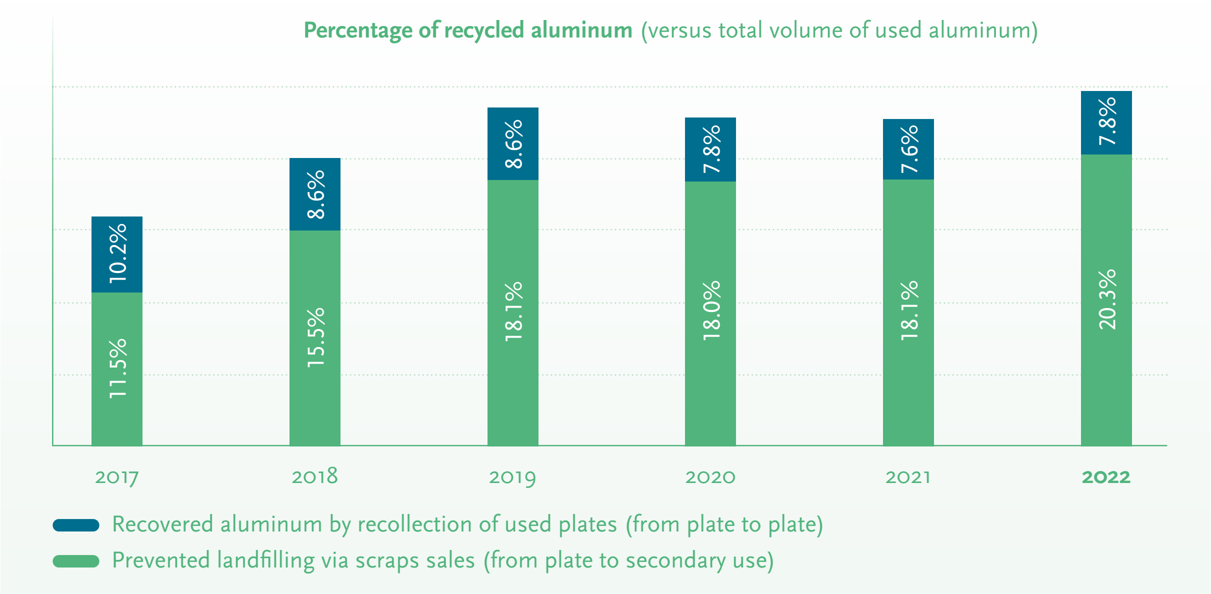
Our indicators

1. Production volumes (tons/year)
2. Percentage of aluminum recovery (%)

Our 2022 performance and activities

Percentage of aluminum recovery (versus total volume of used aluminum)
In 2022, 28.1% of the total amount of aluminum we used for the production of printing plates was recovered for recycling, either by implementing a circular supply chain model for our printing plates (from plate to plate), or by recycling and preventing landfilling via secondary applications for scraps (from plate to secondary use). This represents the highest volume of recycled aluminum since our monitoring started.





We see that the market is clearly moving towards the recycling of aluminum as a secondary raw material. This can be explained by the complexity of the plate-to-plate model, which is an implementable solution only if partners in the value chain are geographically close and if there is a general increase in recycling by customers themselves. In the case of our system, it is progressively introduced at those customer sites that process sufficient volumes of printing plates and are also organizationally able to enter this system since it requires extensive collaboration and engagement across the value chain.

2. Circular Economy: Waste management & product recycling

We believe that Circular Economy, even when resulting from the interlink of numerous complex processes, can be fundamentally based on three main principles, as explained by the Ellen MacArthur Foundation:
- Design out waste and pollution;
- Keep products and materials in use;
- Regenerate natural systems.

According to the most recent Circularity Gap Report, the global economy is currently only 7.2% circular. Considering that this percentage shrinks year on year due to rising material extraction and use, actions to render business circular must be accelerated urgently.

At Agfa, our end goal is the continuous increase of the circularity of materials wherever possible. This represents a challenge however due to the various types of materials used in our manufacturing processes across the world, as well as certain materials that remain in the products that we place on the market. It can be difficult therefore to recycle within the existing infrastructure and further minimize production waste without a broader change to the business model.

As an opportunity to address this difficulty, we are glad that in 2021 Agfa was selected by the Flemish Government for a 1 million Euro grant as part of the strategic ecology support (STRES) initiative. This grant will partially cover our investment in new twin-screw extruder technology at our site in Mortsel, which will enable us to increase the amount of reused PET up to 1,250 tons per year, while maintaining a high-quality end product.

Relevance and boundaries

Designing out waste is one of the principles that we mainly leverage at Agfa for a successful circular business strategy. This begins with a thorough mapping of waste sources, careful process design, followed by iterative production process fine-tuning. When waste streams occur, we first investigate whether we can prevent the waste generation – if not, we move on to considering the potential for internal reuse, which would avoid transport, or sell it to third parties. Incineration for energy recovery and then landfilling are considered as final options. In this process we usually separate material recycling from energy recovery.

The focus of this section of the report is on waste management. In the absence of national definitions, the following scope is considered:
- Waste: any subject or object set out in Directive 2006/12/EC, which the holder discards, or intends to discard, or is required to discard;
- Hazardous waste: waste featuring on the hazardous waste list (Council Decisions 1357/2014 and 2017/997);
- Disposal: any of the operations provided for in Directive 2006/12/EC.

In addition, delivering innovative products and solutions that enable our customers to reduce their own waste is also one of our focuses, although this falls out of the scope of this chapter.

Our management approach

Waste management is coordinated at local level and each plant is responsible for mapping its waste generation in all areas of business operations, as well as identifying opportunities for its reduction. Local site management is responsible for defining the waste policy for their specific site. The focus of the different policies is defined at local level, both on the basis of specific local and national legal requirements and on the type of operations carried out at each plant. All our Belgian sites for example, together responsible for approximately 40% of our overall waste, thoroughly monitor waste production throughout the year under the responsibility of the Plant Waste Manager who prepares a detailed report on an annual basis identifying sources of waste per material and per production line. This report is made available to all production managers and is used as the basis to define the 20 priority waste streams for reduction for the following year.

Processes are set up to comply with ISO 14001 guidelines at a minimum. External audits are conducted in accordance with ISO 14001 requirements for certified sites. Waste management audits may also be conducted within the context of the assessment of the environmental management system as a whole, according to local reference standards.

In partnership with different waste processors, possible optimizations of waste routing are investigated. The waste we provide is continuously sampled and monitored by waste processors to identify viable ways to recover materials or energy.

Beyond efforts to reduce waste generation at operations level, we expect all our employees and stakeholders to act in an environmentally conscious manner. We see this as a continuous process of raising awareness and adjusting and improving waste separation. To this extent, each plant sets up different activities to raise awareness around waste reduction and energy saving, not only at work, but also in everyday life outside the company.

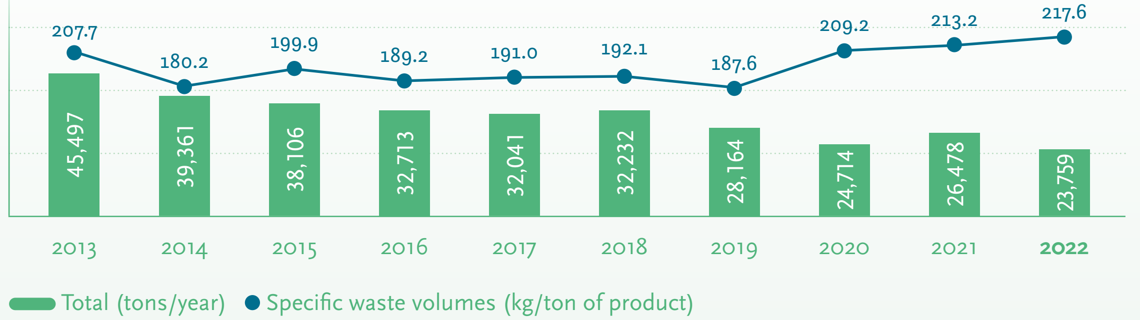
Our indicators

1. Total waste volume (tons/year)
2. Specific waste volume (kg/ton of product)
3. Share of hazardous and non-hazardous waste (%)
4. Waste directed to disposal (%)
   a. Incineration (without energy recovery)
   b. Incineration (with energy recovery)
   c. Landfill
5. Waste diverted from disposal (%)
   a. Recycling
   b. Physical-chemical treatment
   c. Value recovery

Our 2022 performance and activities

In 2022, our total volume of generated waste decreased by 10.3%. The specific waste volume remained almost at the same level as last year with a slight increase (2.0%).

Waste volumes



Since 2020, we have recorded an increase of specific waste volume. When analyzing the waste sources to determine possible corrective actions, we identified that waste is mostly generated during the start-up and stop phases of production. Unfortunately, within the context of fluctuating market demands, these cycles are difficult to avoid and no possible corrective actions could be implemented to counter the negative impact on specific waste. This reduction of (specific) waste volumes will remain a point of attention in the coming years.

In parallel, we managed to further reduce the percentage of hazardous waste by 13%, maintaining a ratio of 4:1. In this context, we will continue to optimize and collaborate with waste processors so that the ratio between non-hazardous and hazardous waste will continue to improve.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Landfill	4,103	4,214	3,586	3,462	2,669	2,910	362	295	163	206
Incineration	217	327	227	127	782	527	328	277	212	171
Recycling	37,220	30,879	29,939	24,603	24,398	24,293	22,815	20,231	22,045	19,317
Energy recovery	1,257	1,173	1,438	1,188	1,057	1,336	1,583	1,387	1,662	1,708
Physico-chemical treatment	431	187	119	192	262	146	180	71	122	56
Valorization	2,270	2,581	2,796	3,141	2,874	3,020	2,895	2,453	2,275	2,301
TOTAL (tons/year)	**45,497**	**39,361**	**38,106**	**32,713**	**32,041**	**32,232**	**28,164**	**24,714**	**26,478**	**23,759**
Non-hazardous	75%	76%	75%	86%	86%	85%	76%	74%	78%	81%
Hazardous	25%	24%	25%	14%	14%	15%	24%	26%	22%	19%

Regarding the destination of generated waste, we also managed to maintain in 2022 a very high level (91.2%) of waste that could be beneficially reused instead of going to landfill. The share of waste that ultimately remains 'waste' and is directed to landfill is still a very small fraction (0.9%) of the total volume of waste, but it has increased in 2022 as a result of a multi-year plan set for Belgian plants to remove asbestos-containing materials on roofs.

These results reflect our continuous commitment to design out waste from our processes. Our commitment translates into a constant high level of awareness and continuous implementation of small improvements within production to improve processes efficiency.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Waste directed to disposal (%)	12.3%	14.5%	12.8%	14.6%	14.1%	14.8%	8.1%	7.9%	7.7%	8.8%
Waste diverted to disposal (%)	87.7%	85.5%	86.2%	85.4%	85.9%	85.2%	91.9%	92.1%	92.3%	91.2%

	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Benificial use of waste (%)	90.5%	88.5%	90.0%	89.0%	89.2%	89.3%	97.6%	97.7%	98.6%	98.4%
Proportion waste in landfill (%)	9.0%	10.7%	9.4%	10.6%	8.3%	9.0%	1.3%	1.2%	0.6%	0.9%

3. Water and waste water

Relevance and boundaries

Water is a scarce resource. Access to fresh water is essential for human life and is a basic human right, as recognized by the United Nations. This is why we are fully committed to minimizing our water-related impacts and prioritizing actions in areas that are part of water-stressed regions.

As a manufacturing company, we use water as process and product water for both sanitary purposes and cooling. We strive to firstly minimize the amount of water used, then reduce the water discharged and its pollutant load as much as possible.

Our management approach

Water management is coordinated at local level and each plant is responsible for mapping its water use in all areas of business operations, as well as identifying opportunities for water consumption optimization, leakage prevention, evaporation loss and pollutants load reduction. Local site management is responsible for defining a specific water policy for their site. The focus of the different policies is defined at local level, both upon the basis of the specific local and national legal requirements and on the type of operations carried out at each plant. The profile of the receiving water body is always considered during negotiations with licensing authorities.

All our Belgian sites – together responsible for a large proportion of the overall water consumption of the Group – plan several measurements per month, carried out by an accredited laboratory. Monthly consumption is monitored by the responsible department to identify evolutions or anomalies. In addition to internal monitoring, external audits are conducted in accordance with ISO 14001 requirements for those sites that are certified.

Water use is mostly driven by process and cooling water as the two most relevant use categories in our processes. Waste water is always pre-treated onsite before discharge to the municipal Waste Water Treatment Plant (WWTP) to reduce the pollution load. The reuse of waste water directly in our operations before discharge to the WWTP is encouraged as far as technologically possible.

Beyond efforts to optimize water use at operations level, we expect all our employees and stakeholders to act in an environmentally conscious manner.

Our indicators

1. Total water consumption (1,000 m³/year)
2. Specific water consumption (m³/ton of product)
3. Total waste water (m³/year)
4. Specific waste water volume (m³/ton of product)
5. Waste water reuse in Mortsel, Belgium (% total water consumption)
6. Waste water pollutant load (tons per year)

Our 2022 performance and activities

Water consumption

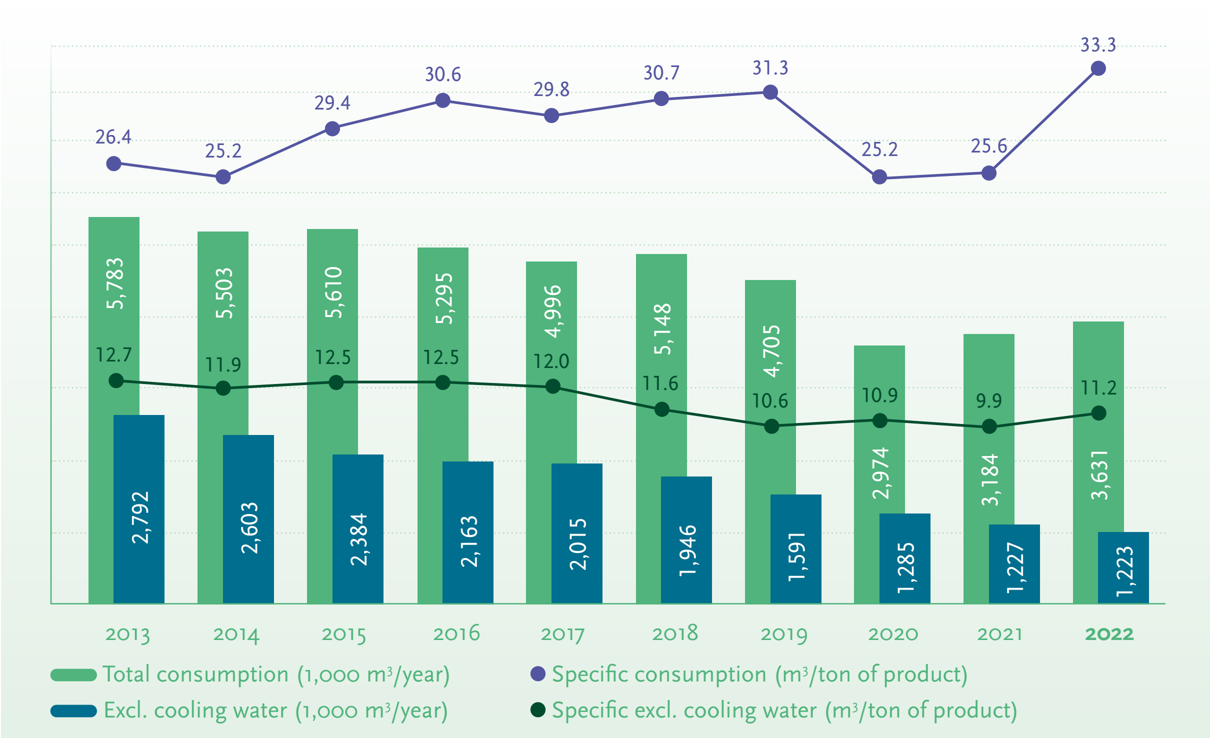
Total water consumption increased by 14% in 2022, mainly driven by higher water consumption at our Mortsel site in Belgium. This exceptionally high water consumption can be explained by a combination of reasons, namely:

- The extra need for distilled water for which our Water-As-A-Service (WAAS) installation generated 5% more loss of input than before (concentrate flow vs. ionization);
- The extra evaporation due to the exceptionally warm weather conditions in 2022 and lower thickening due to a copper corrosion problem;
- The cessation of biological water purification system use in 2022 (50,000 m³ of reused water had to be replaced by city water).

Specific water consumption also increased by 29.7% compared to 2021 and now amounts to 33.3 m³ per ton of product produced.

The trend in reduction of absolute amounts of water used in processes that exclude cooling continued to decrease by 0.4% in 2022 compared to 2021, although the associated specific value increased by 13.3% to 11.2 m³ per ton of product produced. Cooling water remains an important source of water consumption and we continue to look for solutions to reduce it.

While overall performance leaves space for further improvement, especially regarding the optimization of amounts of water used for cooling, our continued efforts to optimize the production processes allowed us to maintain specific process water consumption at the same level reaching 3.7 m³ per ton of product produced.

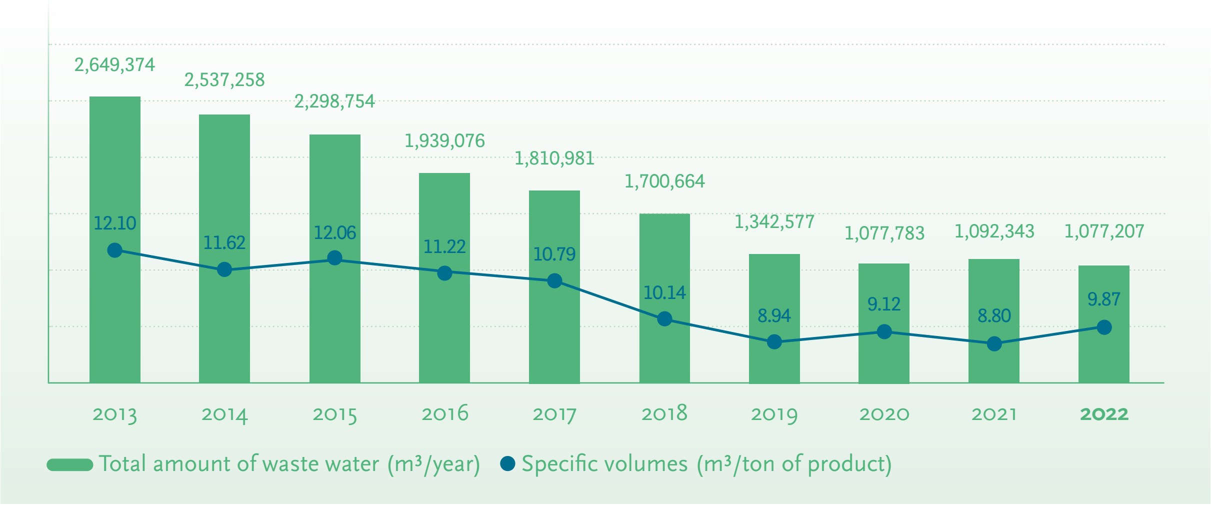


As an example of our efforts to improve water management, in 2022 a new production line for ultra-pure water was set up allowing us to save 300 tons of chemical waste (sodium hydroxide and hydrochloric acid) and optimize the reuse of water concentrate.

Agfa Westerlo (Heultje) in Belgium has also continued to work with Hertecant Flanges and Magazijnen Hendrickx, two companies from the neighborhood, to prepare the building of a large basin to collect rainwater. Agfa and Hertecant Flanges will be able to use the collected water for their production needs as of 2024.

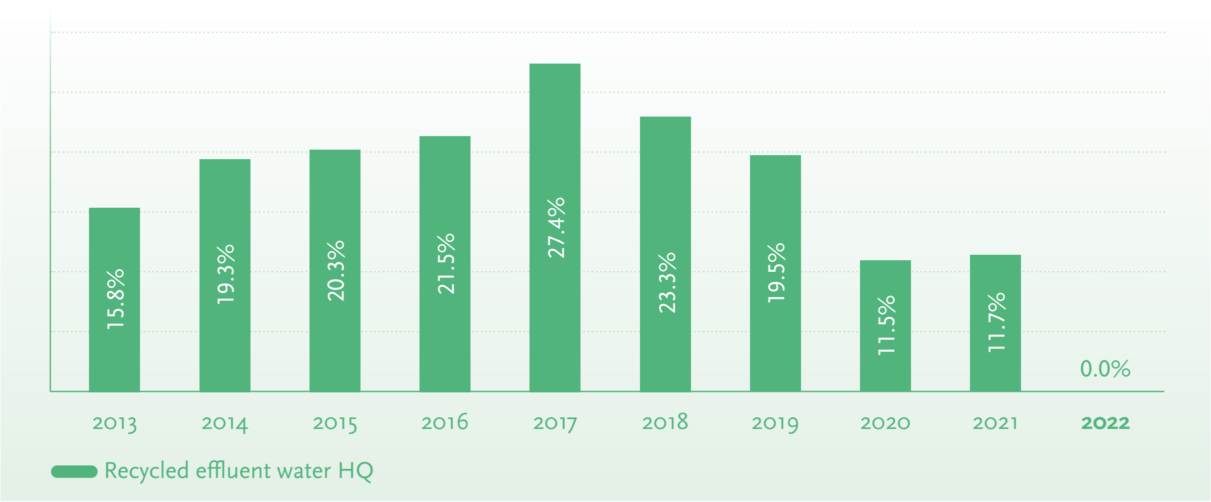
Waste water volumes

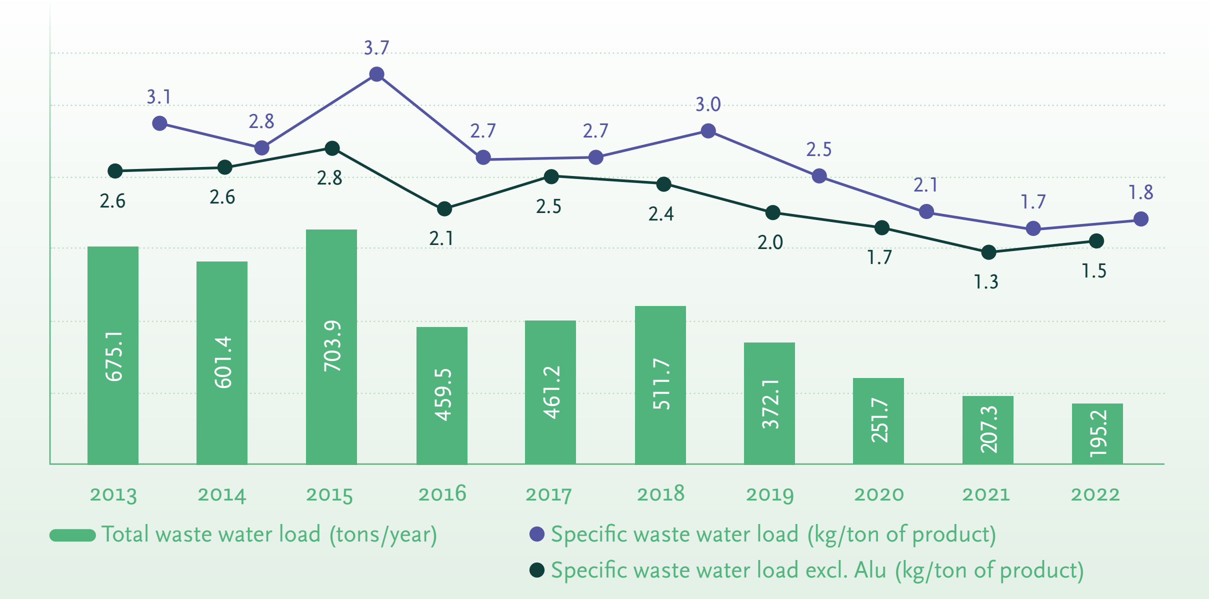
Total volume of waste water decreased slightly in 2022 by 1.4%, whereas specific waste water volume increased by 12.1% and resulted in 9.87 m^3 per ton of product produced.



Up until 2021, we made use of a biological water purification system for waste water at our head office site in Mortsel, Belgium. This was set up in a way that allowed us to reuse its effluent as washing or cooling water. We traditionally reused a significant amount of water, although this decreased in 2020 and 2021 due to the overall reduction of water sent to treatment because of reduced production volumes.

We did not make use of this installation in 2022, as some of its equipment (e.g. pumps) was reallocated to accelerate the Per- and PolyFluoroAlkyl Substances (PFAS) removal and avoidance program. Getting our biological water purification system up and running again would require a large investment, so we are currently assessing whether it is relevant to do so, or whether it would not be more ecologically beneficial to act on the root cause instead by investing in ways to prevent the use of water in our manufacturing and Research & Development processes.





	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
COD	524.1	473.1	491.3	462.9	322.7	373.4	347.4	255.4	177.8	155.1	150.3
N	17.8	20.4	17.9	15.7	9.5	9.5	12.1	10.7	10.0	9.8	10.5
P	97.0	66.5	56.4	54.2	38.1	37.3	34.4	34.4	10.9	1.6	1.0
AOX	0.9	0.5	0.4	0.3	0.3	0.3	0.3	0.2	0.1	0.2	0.1
Heavy metals exl. Al	0.5	0.5	0.3	0.4	0.4	0.2	0.3	0.2	0.1	0.1	0.1
Aluminum	77.5	114.2	34.9	170.4	88.5	40.5	117.2	71.2	52.8	79.4	33.2
Total waste water load (tons/year)	**717.8**	**675.1**	**601.4**	**703.9**	**459.5**	**461.2**	**511.7**	**372.1**	**251.7**	**246.2**	**195.2**

In parallel, we continue to use other water purification systems and these continue to deliver positive results, with trends going in the right direction for several years in a row. Waste water pollution load decreased by 5.8% in 2022. The specific pollution load excluding aluminum increased by 10.5% in 2022, which still corresponds to a low value of 1.5 kg per ton of product produced and confirms the optimization of the water treatment.

The residual COD value further decreased in 2022 by 3.1% to 150.3 tons per year, which is again the lowest value ever. The other values maintain its low figure.

We are proud to see that the performance trends and specific results achieved reflect our efforts and commitment with regards to efficient water management. This is a point of continuous attention for us and several optimization measures are put in place every year.

Our commitment for the future on Circular Economy

We strongly believe that Circular Economy will have an increasing role to play in the future as one of the key process design tools to achieve a sustainable way of doing business. This is why in the coming years we will continue in our commitment to improve our performance around three main areas:

1. Maximize resource efficiency at all our sites;
2. Increase the amount of post-industrial recycling of our materials;
3. Increase partnerships with our customers and third parties to identify cooperative business models.

In addition to new technical implementations, we also plan to strengthen training and awareness raising activities around key issues.

Since 2021, we have been assessing the possibility of setting global targets on specific KPIs defined so far. While we considered it premature to set these targets we have, in part thanks to a more focused exchange with our stakeholders, identified certain priority areas for action such as PET, packaging and the possibility of increasing the use of bio-based materials.

Even if outside the scope of this chapter, we also focus on delivering innovative products and solutions that enable our customers to increase their own circularity (for more details refer to our section on 'Sustainable Business Solutions') and this will certainly remain a high priority on our agenda.

4. Energy usage

Relevance and boundaries

We fully support global commitment to the Paris Agreement, which means we fully support sustainable energy consumption and believe that every organization should contribute to more efficient energy use.

The reporting scope for this annual report covers primary energy, i.e. natural gas, fuel oil, etc., and secondary energy, i.e. purchased electricity and steam. Energy consumption related to local site fleets is not included in the indicators listed beneath.

Even if outside the scope of this chapter, energy efficiency is also an important decision criterion when evaluating and purchasing products and services. Moreover, we also focus on delivering innovative products and solutions that enable our customers to reduce their own energy consumption.

Our management approach

Energy management is coordinated at local level and each plant is responsible for mapping its energy uses in all areas of business operations and identifying opportunities for reducing such energy consumption. Local site management is responsible for defining the specific energy policy for their site. The focus of the different policies is defined at local level, both upon the basis of specific local and national legal requirements and on the type of operations carried out at each plant.

To ensure the highest efficiency in energy use, our sites in Suzano, Wiesbaden and Wuxi are certified ISO 50001, a standard that provides us with a framework to continually improve energy management.

More details are provided regarding the management approach for Belgium, whose sites produce approximately 37% of our total production volumes and, as such, are among those driving the figures for our overall energy use.

Our Belgian facilities comply with the National Energy Policy Agreement (EBO). The Belgian government runs an energy audit on the plants every four years to assess the potential for projects to increase energy efficiency. The EBO sets applicability criteria defining thresholds for primary energy use and an EBO report is prepared annually.

Moreover, an Energy Management Team is in charge of monitoring and planning projects that can improve overall energy efficiency, be it by reducing leakages from buildings, upgrading machinery, purchasing electricity, etc. This team reports directly to the Production Plant Manager who supervises overall production performance for Belgium.

Beyond technical machineries maintenance, employees are regularly trained to ensure efficiency in operations. All works on machinery are carried out by recognized technicians and every leak is reported to the government through a logbook system.

Beyond efforts to reduce energy consumption at operations level, we expect our employees to act in an energy-conscious manner and we set measures to minimize our overall impact, e.g. shutting down heating in empty buildings during holidays, hybrid work and optimized office occupation, etc.

Our *Make the Switch!* campaign was also launched in 2022, using visuals and online training to provide some tips to save energy in the workplace (and at home) and foster small behavioral changes that can yield significant energy savings.

Our indicators

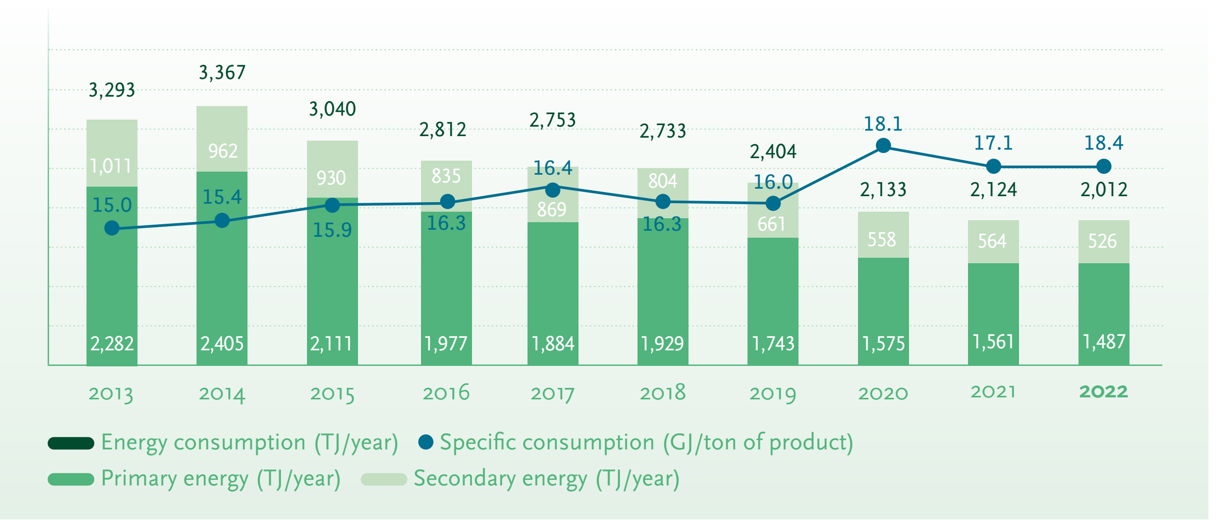
1. Total energy consumption (TJ/year)
2. Energy consumption of primary energy (TJ/year)
3. Energy consumption of secondary energy (TJ/year)
4. Specific energy consumption (GJ/ton of product)

Our 2022 performance and activities

Energy consumption

Total energy consumption (primary and secondary together) continued to decrease by 5.3% in 2022 compared to 2021. This decrease is the result of ongoing analysis, monitoring and optimization of energy efficiency and is mostly driven by a reduction in the use of natural gas and electricity.

Specific energy consumption however increased by 7.7% to 18.4 GJ per ton of produced product. This value remains higher than in past years however due to changes in the frequency of production as start-up/stop phases of production campaigns are proportionally responsible for a higher share of energy consumption.



The consumption level of both primary and secondary energy decreased in 2022, respectively by 4.7% and 6.8%, showing the positive impact of the improvement measures taken in 2022 as we continued to invest in reducing our energy consumption and improving its use efficiency.

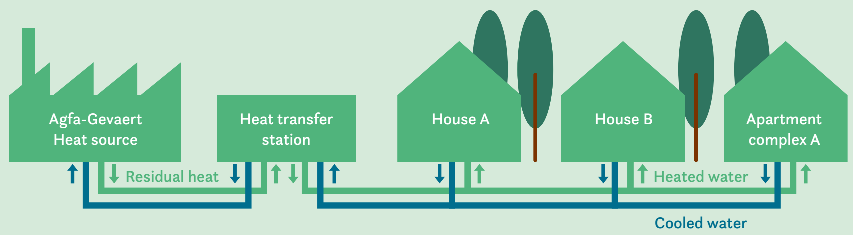
For example, to supplement the Combined Heat and Power (CHP) units, green electricity is generated by the solar panels installed at our Mortsel site in Belgium. In Wiesbaden, the steam is now extracted from the business parks central supply allowing for higher efficiency of this installation.

Overall, further sub-optimizations of existing installations continue to be a point of effort to continuously improve the efficiency of our installations and tailor them to specific needs and requirements. In 2022 for instance, we enabled the use of residual heat from Combined

Heat and Power (CHP) in the heating process of our polyester line for drying purposes so that 1,600 tons of CO_2 can be effectively saved as of 2023. A project for redirecting VOC exhaust from active coal installation to thermal oxidizer was also implemented in 2022 to get 730 tons less CO_2 emitted from 2023.

A Flemish heat-net thanks to Agfa's residual heat!

Beyond optimizing our in-house processes, another way to maximize the efficient use of energy is to join forces with others. 'Warmte Verzilverd' is a project in Flanders with direct citizen participation, aimed at using industrial residual heat to provide homes with heating. The residual heat from our Mortsel site supplies the central heating and sanitary needs of more than 300 households. The project is funded with direct citizen participation and financially supported by the Flemish government.



5. Greenhouse gas (GHG) emissions

Relevance and boundaries

At Agfa, we fully support the need for urgent climate action and the objectives set by the Paris Agreement. To contribute to this global call for action, we are strongly committed to continuously improving the environmental performance of our own operations and, equally importantly, to placing sustainable products and systems on the market that help our own customers contribute to the same objectives.

We understand GHGs as those set out by the United Nations Kyoto Protocol.

The data reported covers sites under the operational control of Agfa, i.e. Agfa manufacturing sites and administrative facilities worldwide. Sales organizations are excluded from the data scope.

The reporting scope of the data in this annual report covers:

- Direct (Scope 1) emissions from:
  - Generation of electricity, heating, cooling and steam;
  - Physical or chemical processing;
  - Fugitive emissions.
- Indirect (Scope 2) emissions from:
  - Generation of purchased electricity, heating, cooling and steam.

Direct (Scope 1) emissions coming from the transportation of materials, products, waste, workers and passengers are not in scope. Other indirect (Scope 3) emissions are not in scope for the time being. The data reported refers to CO_2 equivalents generated from the activities' scope indicated above. Other GHGs emissions, e.g. CH_4, PFCs, NF_3, are not in scope of the calculations.

Although it is out of the scope for this chapter, GHG emissions are also an important decision criterion when evaluating and purchasing products and services. Moreover, we also focus on delivering innovative products and solutions that enable our customers to reduce their own GHG emissions.

Our management approach

The management of GHG emissions is coordinated at local level and each plant is responsible for mapping its emissions in all areas of business operations and identifying opportunities for reducing them. While the general drive is certainly to ensure that highest standards for emissions management are in place, local site management is responsible for defining the specific policy for the site. The focus of the different policies is defined at local level, both upon the basis of specific local and national legal requirements and on the type of operations carried out at each plant.

Direct (Scope 1) GHG emissions are calculated as tons of CO_2 equivalents by multiplying the fuel amounts with corresponding emission factors. The conversion factors used for natural gas, liquid fuel and coal are those recommended by CEFIC. Regarding the calculations for indirect Energy emissions (Scope 2), the conversion factor used depends on the site.

More details are provided regarding the management approach for Belgium, whose sites produce approximately 37% of our total production volumes and, as such, are among those driving the figures for our overall GHG emissions.

In addition to the provisions from the National Energy Policy Agreement (EBO), our Belgian sites comply with the caps set by the European Emission Trading System (ETS). On this basis, we annually report our GHG emissions data to the government by the end of March. As of 2020, due to optimization projects and the implementation of a low temperature waste heat grid, the Belgian site of Heultje is no longer covered by the ETS scope.

The Energy Management Team is in charge of calculating annual GHG emissions. Regarding the calculations for indirect energy emissions (Scope 2), CO_2 conversion factors are calculated following the recommendations of the Belgian EBO and using the hourly gas mixture received from our electricity supplier.

Beyond the efforts to reduce GHG at operations level, we set measures to reduce our overall impact and therefore also expect our employees to act in an environmentally conscious manner. Beyond technical machineries maintenance, employees are regularly trained to ensure efficiency in operations.

Our indicators

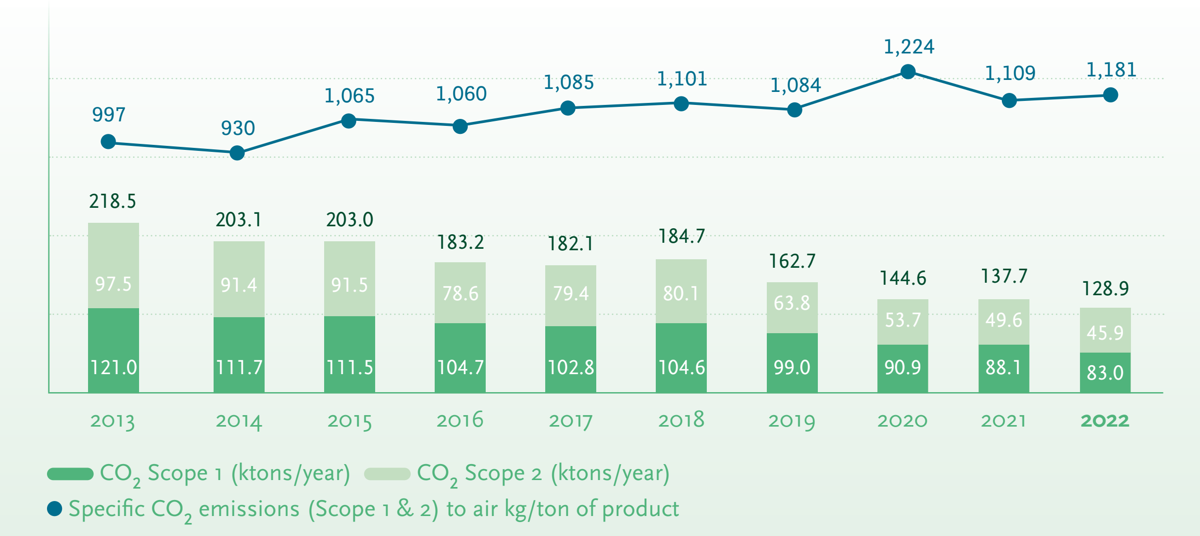
1. Total CO_2 emissions to air (ktons/year)
2. Direct CO_2 emissions (Scope 1) to air (ktons/year)
3. Indirect CO_2 emissions (Scope 2) to air (ktons/year)
4. Specific CO_2 emissions to air (ktons/product)

Our 2022 performance and activities

CO_2 emissions to air

In 2022, both the direct amount of CO_2 emissions (Scope 1) and the indirect amount of CO_2 emissions (Scope 2) decreased, by 5.8% and 7.5% respectively compared to 2021. This represents a total decrease of 6.4% of all CO_2 emissions associated with the operations of the whole Agfa group (scopes 1 & 2 together). This positive trend has been present for several years and adds up to a substantial decrease of our total greenhouse gas emissions (-41% since 2013).

Specific CO_2 emissions (Scope 1 and 2 together) remained higher than in past years due to changes in the frequency of production as start-up/stop phases of production campaigns are responsible for a proportionally higher share of CO_2 emissions.



While we are glad that the absolute impact of our CO_2 emissions reflects our commitment to continuous improvement of our processes, in the coming years we will strive for decoupling emissions from production so as to also reduce specific emissions.

The reduction of GHG emissions from our own operations is a point of continuous attention and it is extremely important as a reflection of our company's commitment towards fighting climate change. This is why further optimization measures of varying degrees of impact are put in place every year. As an example of our CO_2 reduction projects, 100% of the bought volume of electricity in Belgium in 2022 came from renewable resources.

We are on the move

In 2022, we continued to look at our impact beyond operations and put a lot of effort into the electrification of our Belgian car fleet. This Mobility Program concerns both the vehicles used for on-site staff commuting and employee company cars. At the end of 2022 in Belgium, (Plug-in Hybrid) Electric Vehicles already represented 7% of our plant's fleet.

The program will evolve year on year, strongly backed-up by a new mobility plan launched in Belgium in 2022, enabling Agfa employees to lease a bike and extend the range of company cars to Electric Vehicles (EVs) and Plug-in Hybrid Electric Vehicles (PHEVs). As Agfa wants to fully commit to a greener fleet, cars with CO_2 emissions higher than 120 g/km (WLTP standard) have also been excluded from this range. This has been welcomed by our employees. At the end of the 4th quarter of 2022, 95% of ordered company cars were EVs or PHEVs. Overall, it represents a great addition to the measures to stimulate carpooling (already implemented for some years), such as fiscal benefits and the possibility of parking closer to the factory entrance, etc.

This mobility plan has been coupled with necessary infrastructure adaptation, e.g. installing 32 charging stations in our Belgium car parks in 2022. An expansion with 99 extra charging points is already foreseen for 2023.

6. Other emissions to air

Relevance and boundaries

Although we do not formally identify this topic as material in our materiality matrix, air emissions going beyond GHGs are normally managed together. These are pollutants with adverse effects on climate, ecosystems and air quality. Striving to address these emissions is therefore part of our overall strategy of continuously improving our environmental performance and reducing our impacts.

The reporting scope of the data in this annual report covers:
- Ozone-depleting substances;
- NO_x (Calculated as NO_2);
- SO_2;
- Volatile Organic Compounds (VOC);
- Volatile Inorganic Compounds (VIC), e.g. HNO_3, HCI, NH_3, H_4N_2, CI_2, F_2, HF, H_2S, HCN.

Our management approach

As for other topics strictly linked to operational performance, the management of emissions to air is coordinated at local level and each plant is in charge of mapping its emissions in all areas of business operations and identifying opportunities for their reduction.
Air emissions must be closely monitored to comply with local regulations and emission limits may apply in some countries for specific compounds, according to local guidelines. Processes are set up to comply with ISO 14001 guidelines at a minimum.

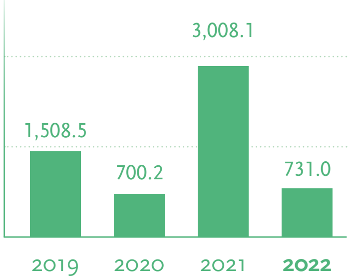
Our indicators

1. Emissions of ozone-depleting substances (tons CO_2 equivalent/year)
2. NO_x, SO_2, VOC, VIC emissions (tons/year)
3. VOC emissions (tons/year)
4. Specific VOC emissions (kg/ton of product)

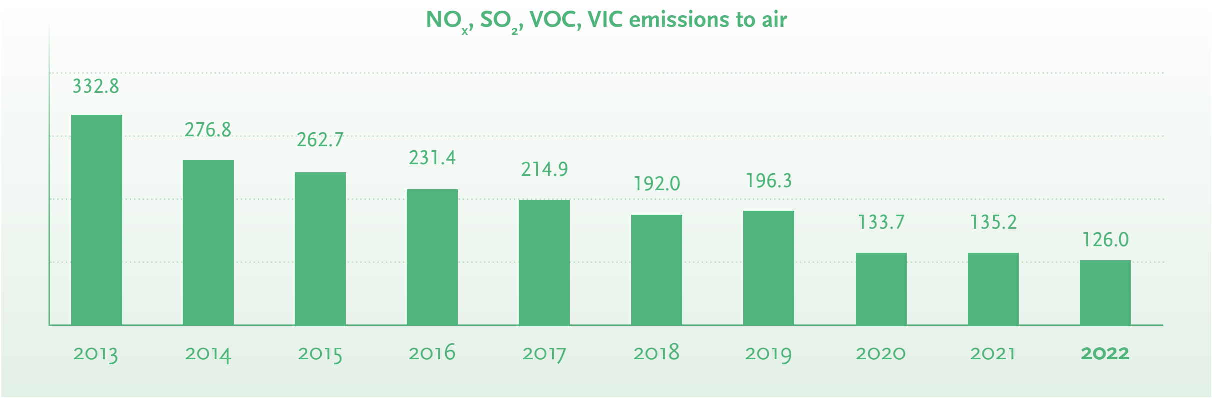
Our 2022 performance and activities

Ozone-depleting substances (CO_2 tons equivalent/year)
Further to the resolution of an internal defect in a cooling machine at the Mortsel site in 2021, we are glad to confirm that emissions of ozone-depleting substances for 2022 are back to a normalized value. We will continue to make efforts to further reduce and optimize the use of installations containing these substances.

Ozone-depleting substances
(CO_2 tons equivalent/year)



We only report data starting from 2019 because we had previously detected some misalignment in the calculation methodologies between some of our sites. We consider the reported data more representative for data comparison purposes as they have been calculated in the same way by all sites.



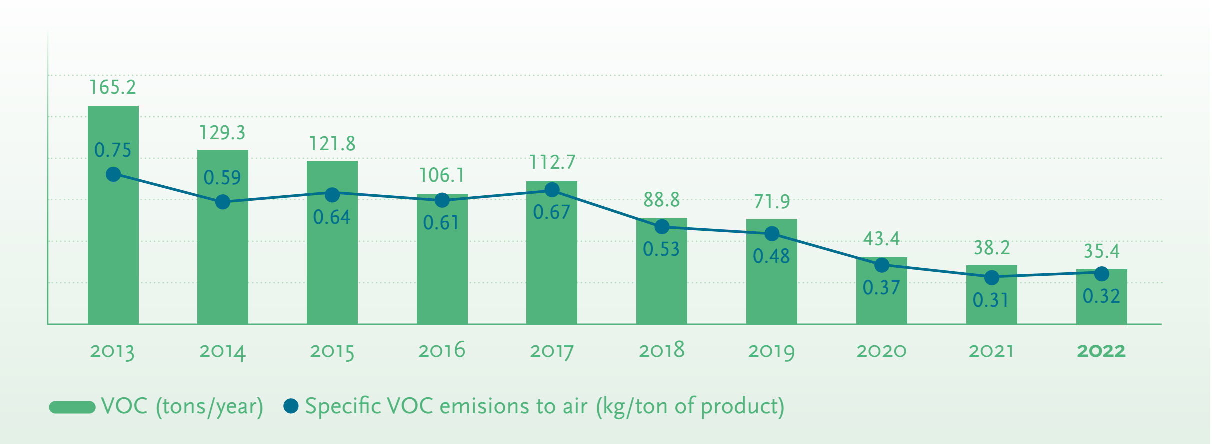
	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
NO_x	141.6	140.4	137.5	120.3	99.4	99.0	119.0	86.8	93.1	87.9
SO_2	23.5	5.1	1.5	1.5	0.8	1.5	2.7	1.1	1.5	0.9
VOC	165.2	129.3	121.8	106.1	112.7	88.8	71.9	43.4	38.2	35.4
VIC	2.5	2.0	1.9	3.5	2.0	2.8	2.8	2.4	2.4	1.7
TOTAL (tons/year)	**332.8**	**276.8**	**262.7**	**231.4**	**214.9**	**192.0**	**196.3**	**133.7**	**135.2**	**126.0**

VOC emissions to air

Air emissions excluding CO_2 decreased in 2022 by 6.9%. This decrease is almost entirely due to the lower NO_X emissions associated with natural gas consumption.

As a result of continuous efforts and optimization of processes, the VOC emissions trend is in continuous decrease and absolute emissions decreased by 7.4% in 2022. In parallel, specific VOC emissions maintained a low level of 0.32 kg per ton produced.

We also continue to increase our solvent recovery rate through improved business practices and plant modifications. This is also due to several optimizations made possible by the automation of solvent balance tracking.



Our commitment for the future on Climate Action

The commitment towards decoupling GHG emissions and energy use from production volumes is and will continue to be one of the focal points of our work in the coming years. We will continue to reflect this commitment in our corporate strategy by identifying priority projects on an annual basis, both in our operations but also in cooperation with partners along the value chain.

We will also continue to fully support the implementation of the European Green Deal, a package of policy initiatives aimed at setting the European Union on the path to a green transition, with the ultimate goal of reaching climate neutrality by 2050. It is surely a key tool to achieve sustainable development. We consider this of the utmost importance to drive the entire industry towards more sustainable production and we fully support it both via all our sectors' associations and our own processes.

With a vision to gradually become a net-zero organization, we will continually set targets for ourselves, be that on overall emissions or on specific areas or raw materials use. While some plans are already very concrete, such as a reinvestment plan in energy production (industrial heat pump, mechanical vapor compression and electrical boiler) approved for 2023 that will allow us to further reduce our CO_2 emissions significantly in Belgium from 2024 on, others are still being defined. In those latter areas we have already increased our efforts to transparently exchange with partners that can help us in identifying gaps, defining corrective actions and improving our overall performance and maturity to enable us to make formal commitments.

In addition to new technical implementations, we also consider training and awareness-raising around sustainability topics as key to driving behavioral change and supporting innovation.

7. Sustainability in the value chain

Relevance and boundaries

Nowadays, value chains stretch around the globe and companies cannot solely focus on their own products and direct processes anymore. It is crucial that business practices conform to stakeholders' expectations, not only internally, but also globally across their value chain, to avoid business and moral disruptions. Controlling the entire value chain is so challenging that it is impossible to do without considering partnerships as a key tool to drive business sustainability transformation.

At Agfa, our value chains are extended and diverse due to our variety of products and services and the multitude of markets we work in. They include the wide range of our suppliers, e.g. raw materials and packaging suppliers, our distributors, customers and many more. Supply chain sustainability management is based on detailed supply chain analysis and monitoring, informed risk assessment and a set of policies to deal with partners. These include the Supplier Sustainability Declaration (SSD), Code of Conduct, Safety Health & Environment policy, Supplier Performance Standards, etc. One of the horizontal enablers of these processes is the exchange of information across the value chain.

This section focuses specifically on the exchange of information with two of our groups of partners, i.e. customers and suppliers.

Our management approach

The exchange of information across our value chain occurs through multiple channels. At global level, we mainly use our corporate website, e.g. to make all our products' Safety Data Sheets (SDSs) and Annual Report publicly available to disclose progress regarding our sustainability performance. These are complemented by a series of tools that are more or less relevant depending on the country and/or the specific markets.

Suppliers

Engagement with our suppliers is coordinated by the Agfa Purchasing department following specific local and national legal requirements. The Agfa Purchasing team is a corporate team supporting and servicing all Agfa divisions, although for some regions and depending on specific business needs, dedicated local staff may be appointed.

Supplier selections are run following a structured qualification and assessment process that looks into different areas that will be of relevance in future relations, like resource and quality management. Approved suppliers are then classified according to a tiering system based on their impact on business profit and continuity for Agfa, but also Agfa end-customers and on the related supply market complexity and risk level. This classification is then used to define the frequency of qualification and control processes such as audits or scorecards where different aspects of supplier performance is included (e.g. health hazard evaluations, number of complaints, corrective actions taken, etc.).

Moreover, the Agfa Supplier Code of Conduct (CoC) is an important document to back up our collaboration with suppliers. The Supplier CoC is available on our corporate website, is included in our core and key suppliers' contracts and is referred to in all our purchase orders through our Purchasing Conditions. It requires compliance to the laws of the applicable legal systems, the maintaining of compliance systems and the suppliers' capacity to demonstrate a satisfactory record of compliance with the law and widely accepted forms of fairness and human decency in their conduct.

Customers

Engagement with our customers is coordinated at local level by each division following specific local and national legal requirements.

Some programs are set up at regional level, based on the local context and customer interest in engaging on sustainability specifically. For instance, we have set up GreenWorks in North America, a customer accreditation scheme that recognizes customers in the graphic communications industry who have demonstrated environmental responsibility and achieved greener outcomes through the use of technology, products, services and practices.

Our 2022 performance and activities

In 2022, we consolidated our efforts to increase engagement across our supply chain on sustainability topics, which remained essential for the acceleration of our progress. Consolidating and giving higher visibility to the initiatives already implemented or in progress, both internally and externally, was a necessary first step. We therefore acted to transparently communicate current strengths, gaps and plans to address these at different levels. More specifically this means that we:

- Gave internal visibility to sustainability targets, commitments and responsibilities to make sure all of our teams are on board, e.g. during Infotours (internal quarterly business updates), internal magazine, Intranet, events etc;
- Increased external visibility, transparency and clarity in our communication towards our stakeholders by regularly including the sustainability topic in our presentations for analysts and the press and using the dedicated section on our website to share regular updates;
- Improved our own skillset, e.g. providing training and ad hoc support to teams on sustainability related impacts. In 2022 for example the Agfa Purchasing team followed a training dedicated to sustainable procurement;
- Answered several customer corporate social responsibility and sustainability questionnaires;
- Rated our current performance via the EcoVadis questionnaire, renewing our bronze medal.

In addition to the rating of our current performance, the outcome of the EcoVadis assessment provided a list of recommendations for potential continuous improvements. As a result, we reinforced our processes in 2022 in the areas of procurement and communication all along the supply chain. Our Potential Supplier Assessment (PSA) used for the qualification of new (potential) suppliers for example, now includes a sustainability score. A process is also ongoing to define and insert a sustainability KPI in scorecards that should be fully operational in 2023.

All exchanges served as the basis to refine our sustainability strategy and create the next steps in our journey. The activation of our teams worldwide is translating into a continuous increase of focus on these topics and a more proactive approach towards addressing them with customers, peers and stakeholders in general.

DEGREE OF SEVERITY OF ACCIDENTS WITH MINIMUM ONE WORKING DAY LOST

-28% *compared to 2021*

1 task force

set up to **further reduce** the number of accidents

32.8%

women share in all **new hires** of permanent positions

GETTING READY FOR THE FUTURE OF WORK:

Almost **17 hours** *per employee training online (average in 2022)*

Our goal? To ensure a safe, inspiring, diverse and inclusive work environment, with equal opportunities to thrive and grow

Focus on our people

Our ambition

Agfa owes its success to its people and builds its future on the competences, passion, creativity and commitment of all of its teams. People are the engine of everything we do, therefore providing a safe, caring, inspiring and inclusive work environment with equal opportunities to thrive and grow is key to progress in a sustainable way. This is the vision we want to encompass in our corporate culture: promoting our ability to learn from each other at a company level, listening to our customers and being market-driven to achieve results. We want to positively impact the health and well-being of our employees by ensuring supportive working conditions, but also that of people externally by helping them evolve towards digital solutions, energy transition and qualitative patient care through our offerings.

Our policies

Our values are reflected in the Group's Code of Conduct (CoC). To support the translation of the CoC into clear day-to-day processes, we rely on a series of policies and corporate guidelines, both at global and local level. In 2022, our Corporate Safety, Health & Environment (SH&E) policy, HR Recruitment policy, Global Learning & Development policy, Compensation & Job Evaluation policy, have all been consolidated under our overarching Sustainability Management Policy and Diversity, Equality & Inclusion policy.

We are Agfa

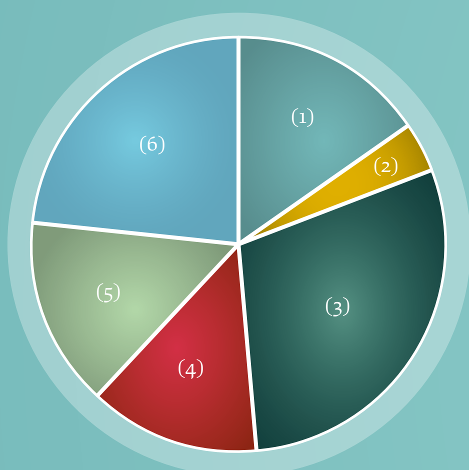
NUMBER OF EMPLOYEES

A TOTAL OF

6,936

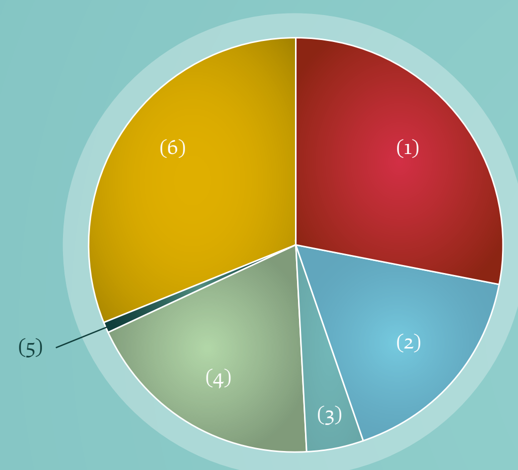
in 2022 or 6,688 full-time equivalents

EMPLOYEES PER CORPORATE FUNCTION



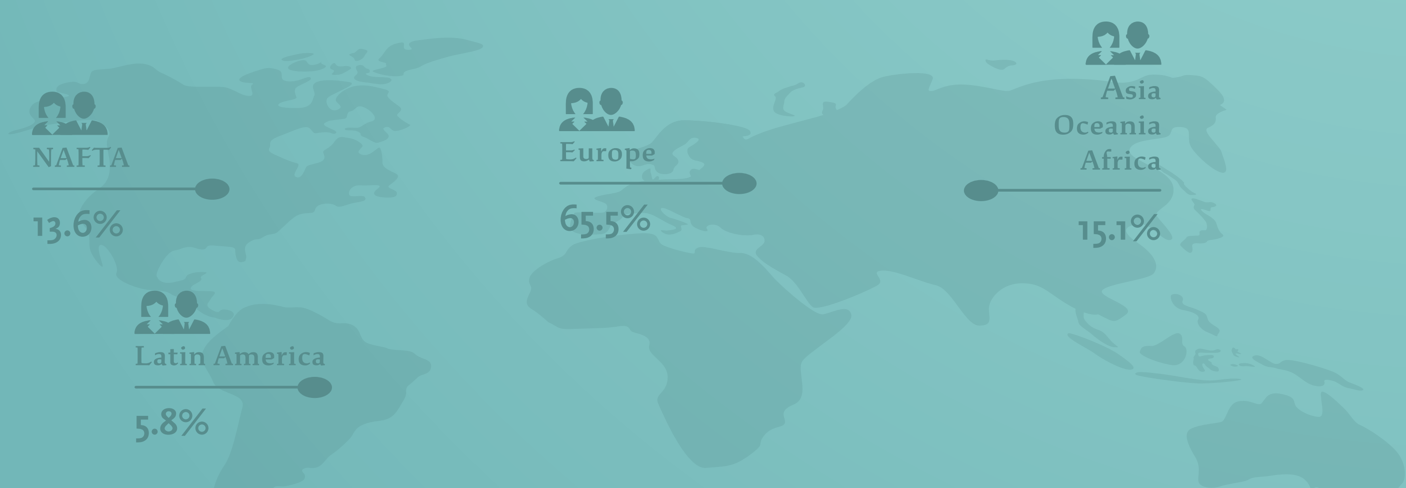
(1) General & Administration **15.5%**
(2) Logistics & Supply chain **3.8%**
(3) Manufacturing **31.5%**
(4) Research & Development **12.7%**
(5) Sales **15.1%**
(6) Service **21.4%**

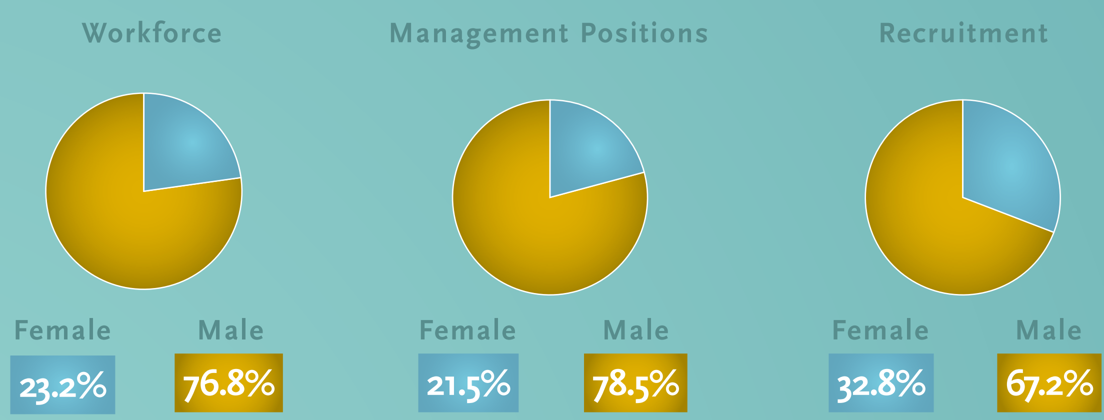
ALLOCATION OF EMPLOYEES



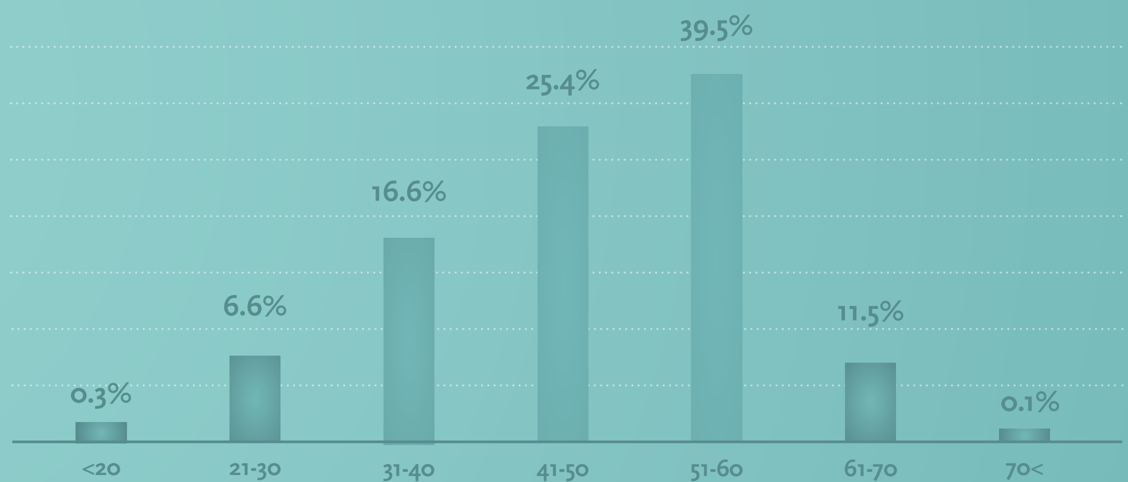
(1) Offset Solutions **19.9%**
(2) HealthCare IT **17.1%**
(3) Digital Print & Chemicals **10.1%**
(4) Radiology Solutions **15.2%**
(5) Executive Management **0.1%**
(6) Support services **37.6%**

EMPLOYEES PER REGION

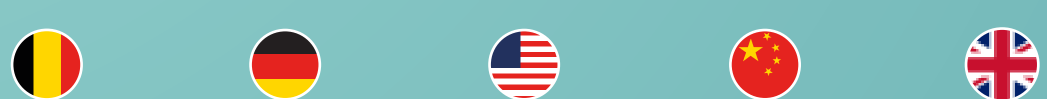




EMPLOYEES BY AGE GROUP



AGFA HAS 83 NATIONALITIES - The Top 5 are:



BELGIAN	GERMAN	AMERICAN	CHINESE	BRITISH
2,343 employees	756 employees	585 employees	409 employees	331 employees

2022 at Agfa *in a snapshot*

Since 2020, we have been focused on building an overall corporate approach to frame and coordinate projects, resources and targets between different geographies and departments and translate them into concrete actions. 2022 has been a year of consolidation, where we maintained our focus on key topics such as health & safety and learning & development. This year, a significant part of our effort has also been put into finding ways to better understand our people's expectations and develop a corporate culture of Diversity, Equality & Inclusion. This was mainly driven with the creation of a Global Diversity, Equality & Inclusion Council and three Employee Resource Groups working on gender equality, ethnicity and collaboration across generations, as well as the launch of the first Agfa-wide engagement survey as a tool to monitor our company's culture and well-being.

Almost 70% of the company's staff participated in the survey, which was already a great engagement marker, and more than 18,500 individual comments were received. It has been an opportunity to celebrate what we are doing particularly well, while learning where opportunities lie to make things better.

There were some very positive messages in the results, such as the fact that people are, in general, proud to work for Agfa. Staff feel they can be autonomous, know what they need to do to carry out their work properly, and can see how their work contributes to Agfa overall. Also worth celebrating is that we scored quite favorably with regards to diversity, equality and inclusion.

The general engagement score for the company however, which showed 58% favorability, is 15 percentage points lower than the external benchmark (73%) and therefore there will be work to be done to listen to concerns and improve. We are therefore taking a deeper dive into the engagement survey results to implement a two-pronged approach of overall company-level actions, paired with grass-roots actions within teams to create visible results to help increase engagement across the company.

Also of note was that engagement varied to quite an important extent depending on site, country, age, grade and other demographic markers, so this is also something that we will be looking at in closer detail so as to maximize the impact of remedial actions.

1. Employee Well-Being, Human Capital and Learning & Development

Governance

While details for each process are provided in the sections beneath, the general management and key responsibilities for these topics fall under the remit of the Human Resources department due to its key role in the different stages of engagement with employees.

Several Global and Regional HR Business Partners build, maintain and develop relationships with senior leaders/managers and employees and act as a point of contact for management, while being involved in important business decisions. Monthly check-ins ensure thorough follow-up and exchange over the course of the year.

As we have entered into a comprehensive transformation journey, strengthening our Human Resources expertise is a top priority for the Group to help us put our people at the center of our transformation. This is why, since September 2021, our Chief Human Resources Officer Gunther Koch is also a member of the Executive Management Team.

"The transformation of Agfa is not just about processes and operating models – it's also about our people, culture and purpose. It's about creating an environment where our people feel they belong, where they can be their best self and be emotionally invested to deliver on Agfa's promise to society, customers and shareholders."
GUNTHER KOCH, *Chief Human Resources Officer*

Diversity, Equality & Inclusion

We want our company to be a place where diversity of both people and thought is valued everywhere – a place where we are all able to be ourselves and feel a sense of belonging. Getting this right will strengthen our performance by bringing us even closer to our people's needs, and the needs of our customers.

Diversity at work means employing a workforce that reflects the society in which it exists and operates. For Agfa, diversity means all the characteristics that make individuals unique, such as gender, race & ethnicity, age, ways of thinking, education, etc. Inclusion refers to the culture and work environment set up that makes everyone feel welcome and where diversity is an element of strength.

Our focus for 2022 was on the way we recruit and develop people, on exploring ways to foster a more inclusive environment and on making sure our policies and processes always promote equal opportunity.

Relevance and boundaries

We strive to create a work environment that is safe, inspiring and inclusive, with equal opportunities to thrive and grow by creating a climate of trust, tolerance and openness. We believe that diversity, inclusion and integration of such diversity is a key factor to succeed in this vision. Agfa's corporate culture further aims to promote an environment where people are connected to the company and experience a sense of belonging.

Agfa is active in more than 100 countries and has its own production centers, R&D centers and sales organizations in more than 40 countries. At Agfa, employees representing more than 80 nationalities with different backgrounds, personalities and visions work together every day. This diversity enriches the organization as it is the engine of Agfa's performance, innovation and overall culture.

Our management approach

Agfa has policies and procedures in place to ensure the implementation of its vision. Since 2003, the Agfa Board of Directors has implemented a policy of equal employment opportunities and it stands behind a zero-discrimination policy in which there is no room for discrimination on the grounds of race, religion, political opinion, color, gender, age, nationality, disability, or any other legally unacceptable classification. This commitment is part of Agfa's Corporate Governance Charter under 'Appendix A: Code of Conduct'; this document can be consulted on Agfa's website: https://www.agfa.com/corporate/investor-relations.

The Corporate Governance Charter and all the main policies and procedures were updated in 2020. The different parties involved in projects, such as employees and subcontractors, must get the same attention. The Corporate Governance Charter and the procedures set out minimum requirements in terms of ethics, non-discrimination and respect for human rights. A basic principle is to ensure that every person involved in projects is treated with respect.

It is further detailed in Agfa's Diversity Charter.

In the Diversity Charter, Agfa commits to the following:
- Apply the non-discrimination principle in all its forms and for all phases of life at Agfa, i.e. recruitment, promotion, retirement;
- Educate management and employees to enable them to deal with challenges related to DEI;
- Actively address all kinds of discrimination.

This Charter is fully endorsed by Agfa's management and, together with social partners, is fully committed to actively support it. Agfa also expects that all of its employees respect the rights and individualities of all people.

In addition to the behavior expected from employees, we continue to hold leaders at Agfa accountable for promoting and bringing to life our commitment to creating a diverse and inclusive workplace where everyone has a sense of belonging and can be their best and most authentic selves.

While we continue to raise awareness by rolling out our DEI toolkit and trainings (focusing on awareness and skills development, unconscious bias, leader and manager capabilities, etc.) on a company-wide basis, we also have responded to the need to develop a broader, more articulated DEI strategy and plan. The development of a DEI strategy requires strong sponsorship from our senior leaders, but we also want to involve, engage and empower all of our employees to be part of the solution.

For that reason, a Global Diversity, Equality & Inclusion Council was launched in 2022 to create the global workforce necessary for Agfa's business success. The Global DEI Council will drive and ensure that Agfa's purpose and strategic priorities are thoroughly embedded into DEI tactics and tie these to broader organizational goals and KPIs. The Global DEI Council is the accountable body to communicate the value of inclusion, both internally and externally.

Through its global and cross-functional composition, the Global DEI Council will focus on gaining a deeper understanding of how the regional business conditions affect and guide the work of Diversity, Equality & Inclusion. As a result, we will have a platform for shaping and sharing best practices globally to influence inclusionary actions and behaviors for all Agfa colleagues. The Global DEI Council will also help to identify and break down outdated norms and barriers for DEI success.

"Anyone can contribute to a more inclusive workplace. Our ERG provides a collective voice for the concerns of any colleague about issues that impact their identity group in the workplace, and we aim to help resolve them. There is always room for improvement, so we will have a long but interesting and certainly successful journey ahead of us."
VINCENT VALENTEYN, *ERG Lead EMBRACE*

This Global Council has been strongly connected to the setup in 2022 of Employee Resource Groups (ERGs) covering different areas of diversity:

- **EMBRACE** – a group working together to create a culture of open access to maximize inclusivity for ethnically diverse employees, building strong employee relationship, and connecting people in an environment that will recognize that each person has different circumstances and provide them the exact resources and opportunities needed to maximize and reach their full potential.

- **Equal Gender Opportunity (EGO)** – a group working together to accelerate the personal development and professional advancement of women and men through transformational learning and leadership opportunities and experiences.

- **Generations Working Together (GWT)** – a group working together to ensure employees of different age groups feel supported in their career stage and are open to creating an inspiring learning environment to poise Agfa and its employees with knowledge and capabilities for future success.

These ERGs are a key part of what we do and how we operate at Agfa. Each group has a very diverse representation of our Agfa divisions, geographies and functions and gets an active Executive Management Team sponsor to share ideas, views and perspectives. The goal is to capture the energy and ideas of passionate voluntary members to raise even more awareness internally.

"Since the announcement of this global initiative here at Agfa, I've been identifying and creating a group of global employees that will work with commitment and diligence to provide awareness of our current standards and provide solutions to increase gender equity within our organization."
LATONYA PHILLIPS, *ERG Lead Equal Gender Opportunity (EGO)*

"I joined Agfa two years ago and I am still in my twenties. This contrasts with most of my colleagues who are 50+ and have often spent most of their professional lives at Agfa. This situation presents unique challenges. I wanted to be part of the ERG initiative and work on it, finding solutions to keep the longest-serving Agfa colleagues motivated and supported in a changing environment, to make sure their relevant knowledge and experience will not be lost, and make Agfa a more attractive and engaging company for new and younger Agfa employees. Together with our motivated ERG team, I believe we can make Agfa a better workplace for all generations."
TOBIAS HAEGENS, *ERG Lead Generations Working Together (GWT)*

The role of Talent Acquisition and HR practitioners is integral to the development of processes to close barriers to inclusion. Agfa's Talent Acquisition and HR professionals therefore play an important role in attracting, retaining and supporting highly skilled, diverse candidates to meet and exceed organizational goals.

Our target(s)

Our Employee Well-being, Human Capital and Learning & Development indicators:
1. Total % man/woman workforce;
2. % Man/woman per job category;
3. % Man/woman in new hires;
4. Employees by age group;
5. Employees by nationality;
6. Average salary/managerial level.

Our 2022 performance and activities

Since we are committed to diversity and inclusion in its broadest sense, i.e. in terms of culture, ethnicity, socio-economic status, age, gender etc., related activities are not dealt within a silo, but are embedded in the different organizational processes described in this chapter. We also acknowledge that there is currently room for improvement within the organization, which is why we decided to focus on DEI as one of the main priorities for action in the sustainability roadmap for 2022 and the years to come.

In order to make such a strategy actionable in a broad field, gender diversity and equality has been one of our key work streams in 2022, based on our defined quantitative targets and a concrete action plan. For Agfa, this involves recruiting from a gender-balanced pool of candidates for every vacancy, keeping the benefits of the already achieved results by increasing retention and improving the satisfaction of employees, while also fostering diversity within decision making roles.

In 2022, we continued to use the series of activities in place to reach our targets, fully aware that quantitative results would only be visible over time due to the nature of the topic. These activities are organized around five pillars:

EMBED

Focused on the translation of gender diversity objectives at corporate level into team objectives, bolstered with regular progress reporting. Dialogue with the global DEI Council and the Equal Gender Opportunity ERG will further help to map the progress (to be) done and influence decisions that will go towards achieving Agfa's gender representation ambitions.

EMPOWER

Focused on understanding the needs of the current workforce, identifying the gaps faced by women to have equal access to positions and providing the right tools and training internally to address these topics.

ATTRACT

Focused on ensuring that our vacancies get adequate visibility to a broad set of candidates by using non-stereotyped wording, as well as diverse promotional material and platforms for publication. Ensuring that our career webpage portrays diverse testimonials of our current employees.

SPONSOR

Focused on engaging at local level to develop future talents, e.g. working with schools and supporting STEM (Science, Technology, Engineering and Mathematics) initiatives.

SHARE

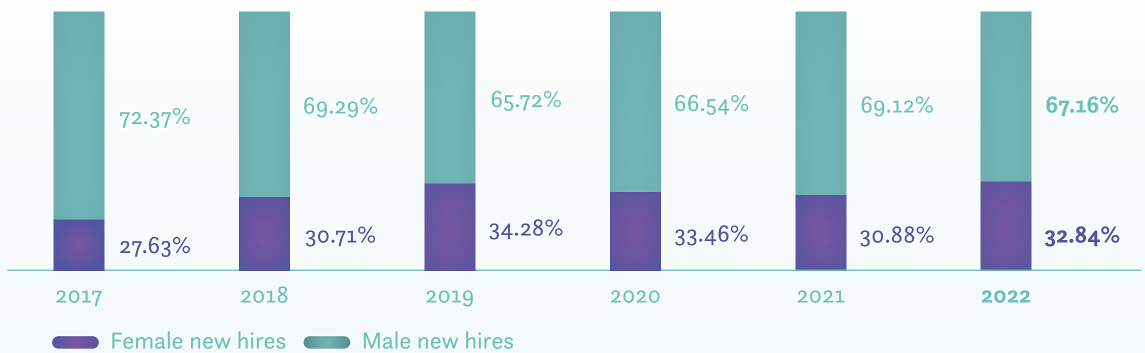
Focused on increasing the visibility of these topics both internally and externally, e.g. creating dedicated communication material for our social networks and giving visibility to this topic in our corporate newsletter. The vision, actions and progress on sustainability topics has therefore been presented to Agfa employees at each Infotour (internal quarterly business updates) and other events such as AgfaPolis (a HealthCare IT event in Ghent, Belgium) in 2022.

Since 2015, the composition of the Board of Directors (BoD) complied with legal obligations relating to gender diversity as provided by the Belgian law of July 28, 2011. Agfa has a recruitment policy focused on diversity, including gender diversity. The legal requirement that at least one third of the members of the Board of Directors be of the opposite gender is therefore met. More information regarding diversity for the BoD can be found in the Corporate Governance Statement.

Beneath is a summary of our global 2022 performance for the workforce as a whole. For the purpose of reporting on DEI, Executive Management functions are divided into two categories. The channels to reach, retain, and motivate these two categories are different and, therefore, it is more practical to monitor our performance separately to understand the impact of our activities.

Headcount/management level	2018		2019		2020		2021		**2022**	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Employee	24%	76%	25%	75%	24%	76%	24%	76%	23%	77%
Manager	21%	79%	22%	78%	22%	78%	23%	77%	23%	77%
Middle Manager	15%	85%	15%	85%	16%	84%	17%	83%	18%	82%
Executive Manager (Level 2)	9%	91%	9%	91%	10%	90%	10%	90%	12%	88%
Executive Manager (Level 1 and 0)	6%	94%	12%	88%	15%	85%	13%	87%	11%	89%
TOTAL	23%	77%	24%	76%	23%	77%	23%	77%	23%	77%

Percentage of female/male employees on recruitment



Percentage of new employees by age group

	≤20	21-30	31-40	41-50	51-60	61-70	70<
2016	4.36%	33.03%	31.97%	20.29%	8.97%	1.00%	0.00%
2017	5.16%	34.69%	32.57%	16.78%	8.93%	1.25%	0.00%
2018	3.54%	33.79%	31.66%	18.81%	9.77%	1.85%	0.10%
2019	6.85%	36.34%	29.88%	16.98%	8.50%	1.10%	0.32%
2020	2.92%	33.27%	32.68%	18.48%	11.28%	1.36%	-
2021	3.33%	36.49%	30.18%	16.84%	10.53%	2.11%	0.53%
2022	**1.71%**	**28.14%**	**28.57%**	**22.60%**	**15.99%**	**2.99%**	**0.00%**

Our different talent acquisition initiatives helped reach 32.8% female recruitment over the course of 2022. While this was below our target of 37%, the achievement was unfortunately in line with the availability of female talents in the markets in which Agfa is actively recruiting.

In 2022, we indeed remained challenged by a combination of reasons. Some barriers are common to the whole market, considering for example the burden of unpaid care and domestic work, which already fell disproportionately on women before the COVID-19 pandemic and further increased during the pandemic, decreasing the global number of women available on the labor market. Some other challenges are specific to our organization as we operate in tech & industry where there is a known major shortage of women for this specific sector, therefore there is not always a choice between male and female candidates at a time when speed of hire is a crucial requirement.

Our target(s)

With a commitment to working on the different elements as part of a DEI strategy, we focused on gender parity as the first area around which to set targets. Although we initially started with a straightforward approach to gradually increase the percentage of women as share of all new hires in permanent positions and high management positions year on year, we are in the process of refining our approach to integrate a combination of three elements in our annual goal setting:

- The population mix of our actual recruitment;
- The external market representation by functional area;
- A pre-defined ambition level for Agfa.

We believe this will allow our target to better reflect the current and future market reality in Agfa's core segments and support our long-term gender parity ambition.

Independently, the minimum legal requirement that at least one third of the members of the Board of Directors be of the under-represented gender will remain a point of attention when changing or extending its composition.

Remuneration policies and practices

Relevance and boundaries

To support our overall commitments regarding Diversity, Equality & Inclusion, we apply non-discriminatory remuneration. Employing people is a long-term strategic investment and global organizations continue to experience competition in recruiting and retaining staff. Agfa considers market conforming remuneration packages as a tool to attract the best talents on the market.

Our management approach

The remuneration policy in place for our Board of Directors and Executive Management Team (EMT) is described in our Corporate Governance Charter; criteria are set by the Nomination and Remuneration Committee. The goal of the policy is to ensure that qualified and expert professionals can be recruited, retained and motivated, taking into account the nature and scope of their individual responsibilities.

With regards to the general workforce, we have a Global Compensation Policy in place which ensures that salaries are in line with the market, are fair and are defined across different geographies in a consistent manner. The policy is built on the principle that Agfa is committed to Pay for Performance and, on this basis, the individual employee's remuneration is based on the following parameters:

- Criticality of position and scarcity of skills on the market;
- Performance and expertise in role;
- Future potential of the employee;
- External (market) benchmark;
- Internal benchmark, i.e. salaries of peers.

A variable salary is an important part of the salary package. The amount of this variable part depends on the results of the respective division and region and on individual performance, as defined in the Global Bonus Plan. For sales and service staff, the variable part is linked to specific targets in a 'Sales Incentive Plan' or a 'Service Incentive Plan'; while for Executive Managers up to level 2 it is also linked to the achievement of ESG objectives. The Executive Management validates the funding ratio, regional and final distribution of individual performance ratings.

In addition to salary, we strive to offer competitive, as well as cost-efficient short-term and long-term benefits, as part of individual packages. The most important benefits are a pension plan, life insurance and medical insurance. Depending on local rules and customs, which can vary significantly, benefits could also include a company car or additional representation costs.

Our 2022 performance and activities

In 2022, we continue to use a Total Target Cash level as a reference salary for our employees, which is on average at the 50th percentile of the market.

The table below also gives an overview of the ratio average salary/management level between genders over the past years. We rely on strict legislative requirements to evaluate our management approach. In fact, the Belgian government requires that a gender wage report is submitted to the national workers' council every two years. This ensures that data on this aspect are regularly reviewed by an external party. These figures should be interpreted with caution as they do not include the number of years of experience in a particular position, the country of employment or seniority.

Average salary/ Management level	2018		2019		2020		2021		**2022**	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Employee	90%	103%	89%	104%	88%	104%	88%	104%	87%	104%
Management	94%	102%	93%	102%	93%	102%	93%	102%	95%	102%
Middle management	93%	101%	94%	101%	96%	101%	97%	101%	95%	101%
High management (Level 2)	92%	101%	97%	100%	106%	99%	106%	99%	107%	99%
High management (Level 1 and 0)	73%	102%	70%	104%	73%	105%	72%	104%	118%	98%
TOTAL	87%	104%	87%	104%	87%	104%	87%	104%	88%	104%

Career guidance, performance and talent management

The processes of career guidance, performance and talent management are those processes implemented to ensure that each individual can thrive within Agfa and can make the best use of their potential to grow and contribute to overall company performance.
In particular:

- Career guidance is the facilitation of the employee's exploration of their interests, talents, and experiences in order to identify possible career opportunities. The focus is on career change, personal development and possible other career-related issues;
- Performance management is a framework to ensure that employees continuously receive formal and informal feedback on their performance against a number of agreed targets on both the 'what' and the 'how'. It entails setting employee performance targets, ultimately aimed at achieving the company's strategy and objectives;
- Talent management is about how to attract, develop, retain and engage the right people, at all levels of the organization. It entails defining the competencies that Agfa needs, and will need, to grow successfully and identifying the existing potential within the company.

Relevance and boundaries

A skilled workforce and agile organization are essential for the continued success of our business. Failure to correctly manage talents to satisfy the current and future needs of the business would hinder our performance.

Agfa's HR policies therefore foresee a number of processes linked to the employee life cycle. An employee's career can be divided into different phases: recruitment and introduction, career evolution and end-of-career.

Competence management, performance management, continuous training and development opportunities, fair and competitive remuneration and constructive feedback are essential elements in each of these phases.

Today, many employees will make more career moves than was traditionally the case. A job-fit employee is therefore necessary in order to remain professionally employable. To this end, Agfa is strongly committed to supporting its workforce throughout all of these phases.

Our management approach

Career guidance
An internal career coach is assigned to help understand the strengths and weaknesses of the employee, what is important for them in their work, life and future career opportunities. The most important goal is to give employees confidence in themselves and in their professional future.

Performance management
Agfa introduced FeedForward as a Performance Management Framework in 2018 to focus on coaching and development, rather than solely on evaluating performance. Our FeedForward framework provides guidance and coaching tips for people managers and their employees to have value-driven conversations focusing on goal progress, feedback and personal development.

This creates a more flexible performance culture in which both manager and employee play an active role:
- Setting meaningful and result-oriented personal objectives;
- These are linked to company objectives, thus providing purpose and vision on how each person contributes to them;
- Continuously clarifying expectations and redirecting objectives;
- Giving, asking for and exchanging feedback to improve performance;
- Maintaining a dialogue on development.

Employee development is an integral part of performance management. The employee and the manager must identify personal development objectives. These support the achievement of short-term objectives, as well as long-term personal career expectations. Financial rewards for employees are partly based on the results of the performance management process.

Talent management
People Managers participate in the annual People Review process to proactively identify core talents within the organization, select development actions such as job rotation, plan soft skills training for the year and plan succession and career mapping steps. Our HR Business Partners and HR Managers are trained annually on rolling out the review and coaching people managers through the process. To a large extent, the results determine the action plan for development actions and programs for the rest of the calendar year and are followed up centrally by Talent Development for each business division and corporate center.

"Through working on the business case, I discovered that a team that is dedicated, creative and diverse can produce nice results, even in challenging circumstances."
EVA VANDERSMISSEN, *Researcher & Participant Regional Talent Program 2022*

Leadership programs aim to equip our people managers with the skills needed to transition from team member to leading a team. This should allow them to progress to skilled people managers who coach other leaders and drive leadership behaviors across Agfa.

Since 2022, we have launched a new approach to talent management whereby senior managers are asked to identify key competencies for their department for the future, draw up succession planning for enterprise key roles and list high potentials. It further nominates key talents per region, i.e. employees who show the potential to take on roles with a broader scope and who are usually on Agfa's succession bench for wider roles. For these key talents, Regional Talent Programs are set up that focus on acquiring the skills, knowledge and practice in building a concrete business case within a nine-month track which is then presented to the regional leadership teams.

"Self-development, a strong and reliable network beyond typical business unit frontiers, the opportunity to defend a business plan in front of the Board and High-Level Management Members and, in general, getting a better, more holistic business sense of Agfa, were my main take-aways."
STEFAN DÜBNER, *Site Manager Schrobenhausen & Participant Regional Talent Program 2022*

"The program pushed me to do and learn something new, get out of the daily business life and comfort zone and meet new people."
ROMY KRAUTZ, *Verification Manager & Participant Regional Talent Program 2022*

Our 2022 performance and activities

In 2022 we continued to support people managers through another challenging year by providing online and live resources to coach and support team members, emphasizing empathy, mental well-being and resilience. Our efforts led to an exponential increase in access to proposed courses.

A focus on an integrated talent management approach has also been maintained. We rolled out Regional Talent Programs in HQ, EMEA, NAFTA, ASPAC and LATAM, as well as a New Leaders Track, a specific 8 - 12 month learning community for recently or soon to be promoted people managers and offered a 360-feedback survey to all participants. This tool is used to provide insights on how one is perceived in one's own role, benchmarked against a HR Consultant database (Hudson), in this case for junior leader competencies.

To support a more agile and business-driven approach, a new Virtual Development Centre (VDC) model, based on Hudson competencies, replaced the old model in 2021. After being nominated by a line manager or HR Business Partner, employees are prepared via the VDC for new or broader roles, with a targeted development track based on outcomes. The pool of participants in VDCs is global and centrally managed by Talent Development, which now makes it possible to benchmark our employees' performance in a more transparent way.

Learning & Development

Relevance and boundaries

Continuous learning and development are essential for individual and organizational growth. At Agfa, learning is a mindset. The question is not only about what roles employees can be prepared for now, but also how we can shift thinking so that employees are ready and able to succeed in whatever roles emerge in the future.

With this in mind, Agfa continuously seeks the right balance between attracting competencies from outside the company, developing internal competencies and increasing

the overall employability of employees by encouraging successful career transitions and mobility. Learning and development is the natural lever to increase the employability of our employees.
Each employee must therefore be able to further develop their unique capabilities and skills, or acquire new and advanced skills and knowledge.

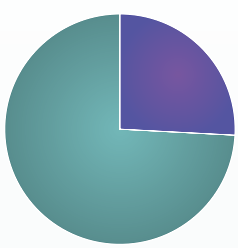
Our management approach

Different roles require different skills and Agfa wants to equip its workforce with flexible skill sets which promote success in a dynamic and complex environment. For this reason, we offer a wide range of internal, external and web-based learning and development tools in technical, business and soft skills related areas. Examples of such soft skills training are sales excellence programs, which promote a customer centric approach to business via workshops on methodology, as well as mentoring to improve the quality of visits with customers.

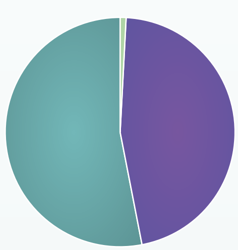
The basis upon which to define learning and development tracks, eligibility, as well as accountability both for managers and employees, are set out in the Global Learning and Development Policy. This policy is complemented by local and divisional programs tailored to the needs of our teams. Employee development plans are aligned with competence management and integrated into the FeedForward framework.

The Agfa Talent Development team pursues the ADDIE approach to training, which stands for the five stages of a development process: Analysis, Design, Development, Implementation and Evaluation. The ADDIE model relies on each stage being done in the given order, but with a focus on reflection and iteration. The model offers a streamlined, focused approach that provides feedback for continuous improvement.

Repartition of online learning platforms



Female **26%**
Male **74%**



Executive Managers **1.3%**
Managers **46.2%**
Employees **52.4%**

Our indicators

1. Average hours of learning per employee per year on online platforms.

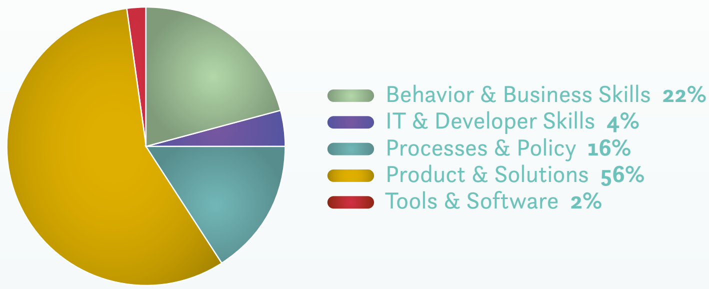
Our 2022 performance and activities

Learning & development is key to supporting the achievement of objectives in all areas of the organization's sustainability goals and each new project should always be supported by adequate training. Since the COVID-19 pandemic, new ways to connect with our employees were promoted or created to enrich the employee experience, such as learning networks to keep people more connected. As a result, our coaching tools and instruments have been increasingly digitalized and widely proposed to employees through corporate Intranet and online learning platforms such as ALP (Agfa Learning Platform), Percipio & SuccessFactors. Platform uniformization is an ongoing project and will allow a complete set of automatically retrieved data for future reporting exercises.

Thanks to learner accountability driven digital learning and a learn-anywhere-anytime approach, we saw an overall increase in the uptake of digitalized learning content in the last years. In 2022, we were also happy to combine digital learning with face-to-face trainings once again and extended our learning offer to develop employees and managers in the new way of working remotely with for example 'Working productive from home' and 'Remote leadership' modules.

In 2022, on average 63% of Agfa employees used one of the digital learning platforms, these people spent almost 17 hours learning online.

Training domains



Our commitment for the future on Employee Well-Being, Human Capital and Learning & Development

At Agfa, we are committed to create a respectful, inspiring and inclusive work environment with equal opportunities to thrive and grow. To translate this commitment into actionable and measurable performance indicators, we developed a corporate sustainability strategy and began setting corporate targets. The ambition of the strategy and the scope of the targets will certainly broaden in the coming years.

We began by setting specific targets on gender equality for 2025. To achieve them, we will continue focusing on reinforcing or creating specific actions around women's mentoring, adapting our hiring policies and leveraging partnerships that can empower women at work. This global commitment will be supported by the recent launch of our Global DEI Council, as well as the EGO Employee Resource Group, who will certainly help in defining concrete regional and divisional objectives and initiatives.

We are also strongly committed to developing our people, aligned to SDG 4 'Quality Education' which is one of the key SDGs for Agfa. To this end, we benchmark Key Success Factors for Learning and Development annually to empower our people with the skills to succeed in the future digital world of work. We aim to increase the number of completed development tracks online and to keep addressing the learning needs of our people and of the business. In 2023, Talent programs will continue, probably without regional focus, to foster diversity and cultural discussions.

Work-life balance

Relevance and boundaries

Agfa strives for a good work-life balance for all its employees. This balance entails much more than just the ratio between work hours and private time. How much someone likes his or their job and how much satisfaction they derive from it is at least as important. The fact that many governments have recently raised the retirement age has also had a major impact on the wellbeing of employees. We are convinced that people with a good work-life balance are sick less often, experience less stress and feel more engaged. It is also important to acknowledge that the right balance can be different for everyone, and that people's needs may change over time.

Our management approach

Agfa has a series of measures in place that are meant to strive for the best possible work-life balance:

- Flexible working hours, where possible;
- Part-time work options;
- Hybrid work;
- Thematic leave such as parental leave.

Agfa conducts awareness-raising campaigns that encourage people to work and live more healthily and consciously. A cornerstone of this approach is the Finnish professor Ilmarinen's House of Work Capacity model, which pays considerable attention to work-life balance and takes numerous measures to support the achievement of this balance. Within the framework of the House of Work Capacity, a minimum of three information sessions are organized each year in which themes relating to well-being at work, such as stress management, are covered.

Our 2022 performance and activities

This year, as for the previous couple of years, we continued to work on our ability to adapt to a remote and hybrid work organization. Having new colleagues joining our teams remotely and interacting with our stakeholders in new ways is becoming part of this new standard.
Although working from home was already possible for a part of our employees before the COVID-19 pandemic, our approach has become more structured since then. We created Agfa Global Guidelines on Hybrid Working to provide the framework for eligibility, scheduling, arrangements and expectations. A hybrid model involves a renewed set of key characteristics and behaviors expected from both managers and employees to be successful. This is why we continued to place particular emphasis on developing these capabilities via online training (more details in the next section).

2. Respect for Human Rights

Relevance and boundaries

At Agfa, we consider respect for Human Rights as the moral imperative to our license to operate as a business. Moreover, we believe that everyone has the right to be treated with respect, care and dignity. Agfa operates in full compliance with all binding legal provisions applying to our market segments in all locations and with the general provisions of the Universal Declaration of Human Rights. In this spirit, Agfa also respects the right of its employees to organize themselves through trade unions and other organizations that represent the rights of employees in their relationship with Agfa as an employer. We also expect our suppliers to follow the same standards and adhere to the same high-level commitment we set for ourselves.

Our management approach

Agfa's employee Code of Conduct (CoC)
According to the Group's CoC, all employees working at Agfa are expected to act in accordance with the highest standards of ethical conduct and integrity and in full compliance with all applicable laws of each jurisdiction in which the company transacts business.

In addition to the behavior expected by employees, Agfa's management processes are designed in a way that employees are selected, hired, assigned, trained, transferred, promoted, laid off and compensated, on the basis of ability and qualifications without discrimination due to race, color, religion, political belief, gender, age or national origin. Furthermore, the CoC prohibits:

- Discrimination against any qualified employee or applicant on the grounds of physical or mental disability, or of their disability status;
- Grants or denials of employment or promotion for the purpose of providing or refusing sexual favors;
- Sexual harassment.

The respect of these rights, as well as the individualities of each employee, warrants a working environment in which everyone is respected.

Consultants and contracting parties operating with the Company are also required to respect the CoC.

In addition to the strict application of the CoC, a formal system is established to support employees who wish to report problems such as harassment, discrimination or conflicts of interest. Agfa employees can at any time submit any question or complaint via email, phone or letter to their immediate superior or to the Group Compliance Office. Complaints and questions are handled in a systematic and confidential manner by the Group Compliance Office – specialized and independent support may be appointed for specific topics covered by the CoC in accordance with local regulation, e.g. a contact person within HR for specific HR related matters.

Freedom of association and collective bargaining agreements
Agfa enters into dialogue with employee representatives in each country where it operates. In most of these countries, employees are represented by Works Councils. At European level, a European Works Council is also in place, led by a member of our Management Committee. The Council is composed of representatives from the different business divisions and union representatives from different countries and divisions. It meets at least twice a year to

receive updates regarding the progress of different corporate activities, as well as information regarding the different business divisions.
Depending on national legislation, there are also collective bargaining agreements agreed with Trade Unions in place for some categories of workers. All existing collective agreements are made available to all employees via the relevant internal sharing platforms, e.g. the Intranet, or upon request to HR.

Supply Chain
As an organization, we are part of an ecosystem where suppliers are essential to providing our own products and services to the market. In addition to risks related to ensuring business continuity (raw materials see pages 26-29 and value chain see pages 47-48), having close relationships with suppliers means that their performance and reputation impact ours. This is why we expect our suppliers to adhere to the same sustainability standards as we do.
The Supplier CoC is available on our corporate website and contains requirements concerning compliance to the laws of applicable legal systems. It sets out the need for maintaining compliance systems, as well as the need for the supplier to demonstrate a satisfactory record of compliance with laws and widely accepted forms of fairness and human decency. The covered areas are:

- Prohibition of corruption & bribery;
- No unfair business practices;
- Anti-discrimination;
- No harsh or inhumane treatment;
- Freely chosen employment and prohibition of child labor;
- Freedom of association & collective bargaining;
- Fair working hours, wages & benefits;
- Health & safety of employees;
- Environmental protection;
- Supply chain security (AEO and CT-PAT).

The Agfa Supplier CoC is a mandatory part of our key and core supplier contracts. In the case that no specific contract with Agfa exists, our General Purchase Conditions apply as stated on all our purchase orders. Compliancy with the Agfa Supplier Code of Conduct is part of our General Purchase Conditions. The Agfa Purchasing Department ensures that suppliers sign and adhere to the CoC. These aspects are regularly addressed when performing supplier qualification audits and assessments.

Both our Agfa Supplier CoC and General Purchase Conditions are publicly available on our website.

Our performance in 2022 and our commitment for the future

The Agfa CoC is fully endorsed and compliance is required for all employees. In 2022, no complaint was reported via the whistle-blowing procedure for an alleged breach of the Agfa CoC related to Human Rights.

Although the sectors and geographies of Agfa operations and the high-skilled profiles required to perform them prevent us from a high risk of child labor, the follow-up of our employee database by our Human Resources department warrants that there is no Agfa employee that can be associated with child labor either by being too young to work or being involved in hazardous activities that may compromise their physical, mental, social or educational development.

In 2022, for all its employees, Agfa complied with the necessary local workforce regulations in the countries where it operates. Where applicable, workers' councils (both national and international) were organized.

In order to mitigate the risk of sourcing raw materials, goods or services from suppliers which may not respect their employees' human rights, 100% of new contracts signed with key and core suppliers in 2022 included the Agfa Supplier CoC (this was also the case in 2020 and 2021) as an appendix.

An additional clause was added into our standard supply contract in 2022 to emphasize our requirement for suppliers to comply with ethical and responsible standards of behavior, including without limitation those dealing with human rights, conflict mineral sourcing, environmental protection, sustainable development, bribery and corruption. This is also further observed when visiting our suppliers on site.

Respect for human rights and equal opportunity will continue to be one of the key pillars supporting the work that we do, the partnerships we engage in and our business strategy priorities in the future.

3. Health & Safety

Relevance and boundaries

The health and safety of our employees is of paramount importance to us and unsafe behavior is immediately addressed. We consider it a moral obligation to provide everyone with work conditions that ensure safety at all times. Furthermore, we expect that all employees feel accountable for their own safety and that of their colleagues and guests. Visitors, contractors and suppliers are also included in our safety provisions, as safe working is an absolute must in order to be allowed to work at and with Agfa.

We consider health from a holistic point of view, paying attention to all of its aspects, both physical and mental. This includes working conditions, ergonomics, illness & burn-out prevention and healthy behavior promotion, to name but a few.

Our management approach

Activities around Health & Safety management are built on the basis of our Corporate Safety, Health & Environment (SH&E) policy. Each division appoints an SH&E Manager who contributes to the roll-out and evaluation of the policy and objectives and is a member of the Corporate SH&E Management Committee.

At least every three years the SH&E Management Committee re-evaluates the corporate policy, its organization, management system and objectives.

The SH&E Management Committee also monitors the constant development of Health & Safety legislation in countries where we are present.

Our local site management is responsible for implementing the Corporate SH&E policy and for complying with the local legislation applicable to the operation of the manufacturing site itself, under the coordination of the plant SH&E coordinator.

To ensure the highest standards, we have different policies in place at each site that include contractors and subcontractors wherever relevant. The focus of the different policies is defined at local level, both upon the basis of the specific local and national legal requirements, and on the type of operations carried out at each plant.

Full compliance with such standards begins with 'soft' measures to ensure a high level of safety awareness from the first moment anyone steps foot on our premises, e.g. user-friendly guidelines that are easy for everyone to follow. We then have strict protocols and control mechanisms in place to ensure the prevention of workplace accidents and work-related injuries, as well as proper care in those cases where they do occur. Depending on the specific operations at each Agfa plant, we also ensure adequate monitoring and prevention of potential workers' and visitors' exposure to chemicals.

Agfa's local policies are made available to all employees in their local language(s) and local training programs are in place.

In addition to Agfa's specific policies, our Brazilian site in Suzano, German site in Wiesbaden and Chinese site in Wuxi (Printing) are certified OHSAS 18001.

Observation rounds on the shopfloor are the main instrument used to closely examine activities and surroundings and to detect unsafe situations and conditions. Adequate reporting of occurrences is key to ensure adequate follow up and, where needed, to report accidents to the authorities according to national and local legislation. The cause of each reported incident, near-accident and accident, is investigated so that the most adequate corrective measures can be implemented. Important matters are immediately communicated to all sites as an SH&E alarm and learning point.

As part of S&H measures, we also address all those aspects of people's health that can be influenced by working conditions. For instance, we provide training on the correct ergonomic set up of the workspaces, advice on how to keep active and healthy, as well as medical check-ups at some of our plants.

Mental health

Mental health is also essential when preserving the health of our employees. Activities to monitor and address concerns are defined at local level, as well as the identification and the specificity of the potential threats due to the fact that they differ based on the operations carried out at each site.

For our Belgian sites, we run a survey every five years that allows us to monitor the mental well-being of our employees. This survey helps us understand their perception of working conditions, communication and all other aspects that cause stress situations. Based on this survey, specific actions are defined to address the identified improvement areas.
In addition to sharing a list of useful local sources of information for employees, specific trainings related to mental health, such as self-care, stress prevention and change management have been proposed to employees.

Our target(s)

Our vision is to achieve zero accidents. We have set a target to reduce our number of accidents with minimum one day lost by 50% by 2025 compared to the 2019 baseline.

Our indicators

1. Number of accidents with minimum one working day lost
2. Frequency rate (Fg) of accidents with minimum one working day lost
   Frequency rate = (Number of accidents / hours worked) * 1,000,000
3. Frequency rate (Fg) of reportable accidents for Agfa employees
   Frequency rate = (Number of accidents / hours worked) * 1,000,000
4. Degree of severity of accidents involving minimum one working day lost
   Degree of severity = (Number of working days lost / hours worked) * 1,000

Scope for these indicators: Until 2021 the reported quantitative data solely covered manufacturing operations. Following the recent acquisition of Inca, the manufacturing site in Cambridge (UK) has been included in the reported scope as of 2022. Additionally, in order to have a better overview, we have also decided to add our US organizations in Elmwood, Wilmington, Carlstadt, Greenville and Waterloo that are responsible for off-site service activities to the reported scope.

By definition, a reportable accident is an accident that must be reported to the authorities according to national and/or local legislation. Reporting requirements differ widely in the countries where Agfa operates and, therefore, there is no universal definition of a reportable accident. We therefore decided to refer to the frequency rate of these accidents and used a generic definition to create a coherent indicator.

Our 2022 performance and activities

The focus in 2022 was to further increase safety at all levels of our operations. Our people safety remains our number one priority and we continued to implement all necessary safety measures, as well as adjustments to our way of working. In tandem to this, we also worked on improving Health & Safety for all:

- We continued to analyze the root causes of accidents across all of our reporting sites to learn from those with the lowest occurrences what measures have the most impact.

- The 6-S methodology (Sort, Set in Order, Shine and Inspect, Standardize, Sustain, Safety) has now been implemented in close to 80% of our labs and warehouses in Belgium as part of our two pilot projects in Mortsel. This was created upon the example of our Mississauga site (Canada). The 6-S process is a lean approach to space management that helps create a safe and efficient workplace and maximizes value-added work.

- We further rolled out the 'Brain Based Safety' initiative for our maintenance and services team in Mortsel, which has historically been one of our sites recording a high number of accidents. This initiative builds on neuroscience to deliver coaching that addresses human behavior as a root cause of work-related accidents. In 2022, ten middle managers started the individual training as part of the Safety Leadership Programme.

- We worked on the harmonization of incident reporting worldwide to ensure we always have all data at hand to carry out appropriate corrective actions.

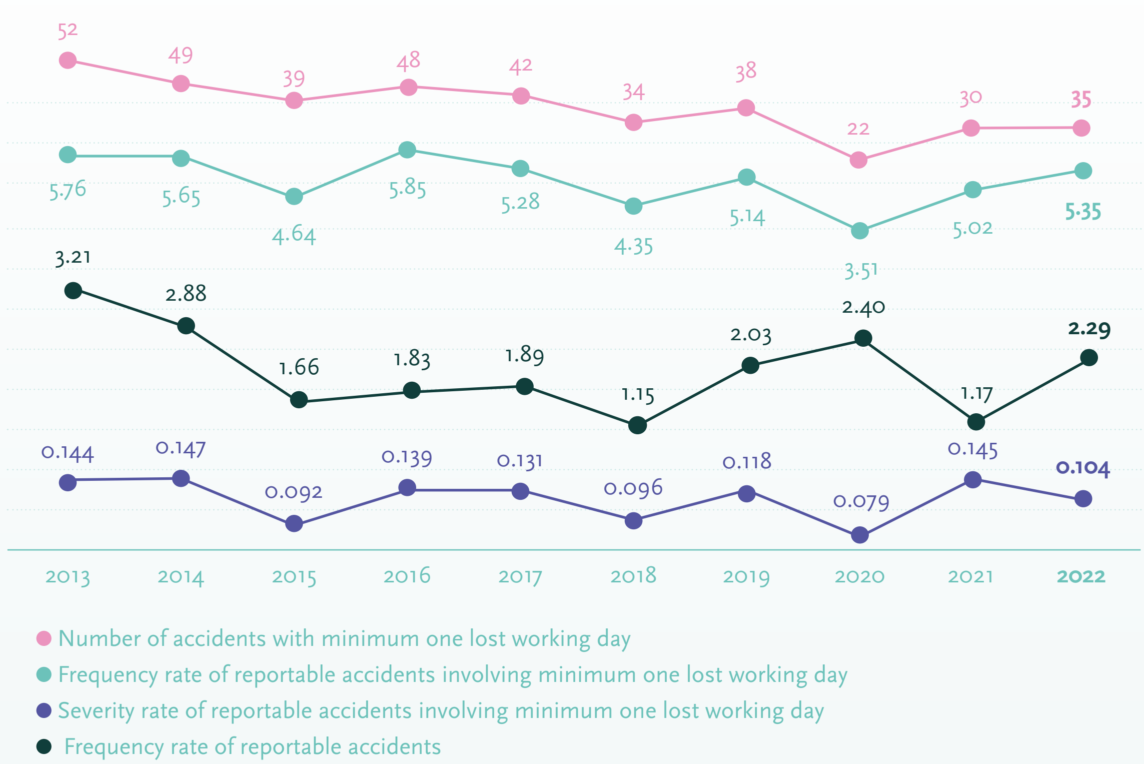
- We introduced a new notification process for accidents to give these occurrences more visibility to senior management and increase accident investigation and follow-up.

- We increased overall communication to work on accident prevention by raising awareness regarding Essential Safety Rules at Agfa (ESRA), e.g. through our newsletters and internal communication channels and potentially dangerous situations, e.g. using a Last-Minute Risk Assessment (LMRA).

Unfortunately our effort has not been yet translated into a full positive result for 2022. Although the severity rate of accidents with more than one working day lost dropped, the frequency rate of reportable accidents almost doubled compared to the year before and the frequency rate of accidents with minimum one working day lost increased due to the registration of more accidents (35 in 2022). These higher figures are due to various factors, such as the addition of new sites and especially those in the US where legislation related to 'reportable' accidents is stricter on average than in other countries. Particularly long recovery periods for some accidents combined with a lower number of total hours worked played a significant role in this result.

Safety shall remain part of our corporate culture. Given all the considerations and data reported above, the overall long-term trend is still declining. Our ambition to halve accidents with minimum one working day lost by 2025 remains more active than ever, since programs to further reduce accidents are and will continue running at all locations. Planning and executing observation rounds remain key instruments to spot potentially unsafe situations and prevent accidents and injuries from happening. Findings from accident investigations continue to be shared between the sites to capitalize on the experience of those achieving "zero" lost time accidents, some of which have been doing this for several years in a row. This is for example the case at the Suzano plant in Brazil where a nice milestone was reached after a lot of efforts: 1,000,000 hours worked without accident!

Total Accident Tracking



At the end of 2022, an additional task force has been set up at the request of the Executive Management to define and roll out a global action plan to further reduce the number of accidents.

Our commitment for the future

We will continue investing in keeping a high level of awareness and focus on preventive measures that avoid any physical or psychological harm to our people.

To achieve our target of reducing the number of accidents with minimum one lost working day, we will continue reinforcing safety programs and education on sites with the highest number of accidents.

The impact of the 6-S program roll-out in Mortsel will continue to be monitored and, if successful in reducing the occurrences of dangerous or potentially dangerous situations, will be extended to other departments beyond the piloted ones.

AGFA'S IMPRESSIVE IP PORTFOLIO:

704

active patent families &

2,634

active patent rights

We invest

5.4% *of revenue in R&D*

2022 Innovation Award from essenscia for Agfa's Zirfon membrane technology for green hydrogen production

Focus on sustainable performance

Our ambition

Agfa strives to make its customers successful and be their partner of choice for the long term, be it for imaging and information systems or for any other partnership aimed at sustainable innovation. We do this by offering leading edge technology, affordable solutions and innovative ways of working based on our in-depth understanding of the businesses and individual needs of our customers. To succeed, investing in innovation and delivering top quality solutions are key. Operating in a responsible, sustainable and transparent way is just as important.

Our policies

Our values are reflected in the Group's Code of Conduct (CoC). To support the translation of the CoC into clear day-to-day processes, we rely on a series of policies and corporate guidelines, both at global and local level. In addition to the Global Sustainability Policy that was introduced in 2022, these are some examples of the policies we rely on for the topics addressed in this chapter (not listed in order of priority):

- Corporate Safety, Health and Environment Policy;
- Policy on the use of chemical substances with carcinogenic, mutagenic and reprotoxic (CMR) properties;
- Global Information Security & Privacy Policy.

Our Certifications

Environmental, safety, energy and quality management systems


Manufacturing
R&D
Sales & Services
ISO 9001 Quality
ISO 13485 Medical Devices
ISO 14001 Environment
ISO 50001 Energy
ISO 27001 Information Security
ISO 20000-1 Information technology
ISO45001 Occupational health and safety
OHSAS Occupational Health and Safety Assessment Series
Sweden
Kista
Poland
Warsaw
Germany
Munich
Peissenberg
Peiting
Schrobenhausen
Wiesbaden
Düsseldorf
Austria
Vienna
Greece
Athens
China
Wuxi Imaging
Wuxi Printing
Shanghai
Australia
Scoresby

2022 at Agfa *in a snapshot*

In 2022, we continued to work on translating corporate objectives into concrete actions. The main focus regarding our performance was to:

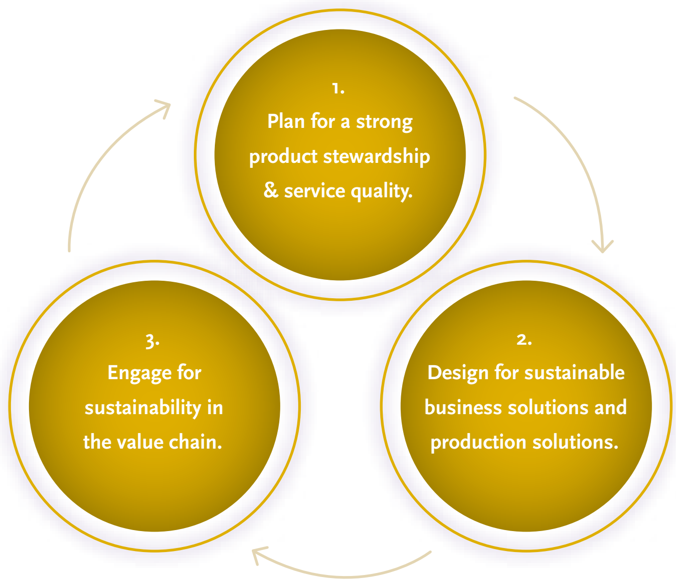
- Confirm the use of our in-house methodology to assess the sustainability profile of our products at R&D design phase compared to their previous versions on the market and achieving no throwback in sustainability towards next generation products for all new specific product roadmaps launched this year.

- Continue complying with the highest standards required and, this year, we specifically completed the Medical Devices Regulation CE certification for all our Healthcare activities. The success of achieving MDR certification cannot be overestimated as the MDR was not only new for Agfa, but for the entire medical devices industry and the controlling authorities.

- Use collaboration and open innovation to accelerate the exploration and validation of ideas in new applications or unknown markets, but also to encourage a learning mindset within the organization.

1. Sustainable business solutions and production

We take full responsibility for our products and thereby critically examine safety, health and environmental impacts, as well as legal compliances, throughout each stage of the product's life cycle. To do that, we apply a three-step approach:



In this view, Agfa's Corporate Safety, Health & Environment Policy principles are:

- Comprehensive environmental protection and occupational safety are given the same priority as customer orientation, high product quality and commercial efficiency;
- Products and processes are designed, developed and manufactured to minimize the impact to the environment and the occupational safety and health risks of all the phases of the life cycle;
- Agfa advises its customers, its employees and authorities with an evaluation of its products and manufacturing processes in all matters pertaining to health, safety and environment;
- Agfa informs its stakeholders on a yearly basis on its safety, health and environment performance through a Corporate Sustainability Report which is an integrated part of the Group's Annual Report.

Relevance and boundaries

We believe that sustainable business solutions and production are essential to accomplish our growth strategy. We therefore consider sustainability as a decision factor in our go to market strategies. Since 2020, we formalize this commitment by defining the goal of 'no sustainability throwback' for new products. Simply put, we want to market new products only having carried out a full assessment of their sustainability profile already at design phase, on top of assessing the potential market success. Such assessment shall consider the impact of new solutions along the full life cycle, both in terms of our own environmental and social footprint, but also ensuring that new solutions can help our customers in reducing their own footprint and/or bring consistent added value to society at large, e.g. via more sustainable healthcare.

Our management approach

The topic of sustainable business solutions and production is broad and it comprises many different processes involving different layers of our organizational structure. Its management approach is therefore multi-layered:

- Global level: for the definition of corporate strategy, global goals and markets where we want to make an impact;
- Plant level: for the sustainability performance specific to the environmental footprint of product manufacturing;
- Division level: for the development of sustainable business solutions and services.

While the first two layers are described respectively in chapters 'Company Information' and 'Focus on our Planet', the development of new sustainable business solutions is driven by each business division with the support of the Corporate Sustainability Office. Our teams of product specialists are those best placed to identify improvement opportunities and assess market readiness for new developments, thanks to their knowledge of our customer base and the way each line works internally.

To achieve these ambitious objectives, a series of processes are in place, including:

- Progressive transition to circular economy as essential for a sustainable society. This, together with the environmental aspects (addressed in more detail under 'Focus on our Planet') entails the transformation of our business models as a whole, closer cooperation and often shared resources and common strategy with customers and suppliers;
- More explicit focus on sustainability in the assessment of market needs via stronger stakeholder engagement;
- Development of sustainability criteria at product level to allow decision-making at R&D level;
- Data management for efficient exchange of information which allows for better decision making and data protection.

For some of our products and services we also rely on insights coming from market guidance by making use of sustainability certification and labelling schemes or sectoral best practices, if those exist. For instance, most of Agfa inks are certified GREENGUARD Gold, A+, AgBB and M1. These rigorous standards relate to chemical emissions, e.g. air quality when prints are used for indoor applications. They all measure the emission of airborne VOCs (Volatile Organic Compounds) in a closed chamber but differ in VOC concentrations criterion and country of issuance. Having our products certified ensure that they are acceptable for use in sensitive indoor environments, like schools and healthcare facilities and for prints that cover all walls of a room – not just as signage or partial wall decoration.

Beneath are some examples of our sustainable solutions – more details under 'Business Activities 2022'.

· Thin Ink Layer technology

Our patented 'Thin Ink Layer' technology offers extremely high-volume conductivity at low curing temperatures, minimizing the amount of ink that is required to obtain a high-quality print.

· ECO³: Economy, Ecology and Extra convenience

The ECO³ program is a made-to-measure screening of customers' prepress and printing processes, optimizing the whole process and resulting in saving on the use of ink, paper and water, and in reducing waste generation.

· Chemistry-free printing plates

Our chemistry-free computer-to-plate (CtP) systems allow printers to reduce their environmental footprint, lower their operating costs and boosting their efficiency. Over the past decade, more than 90% of our customers in the newspaper segment have already switched to chemistry-free technology.

· Circular business model for printing plates
The system allows printing plates to be offered to large printing houses in a closed supply system in which they are collected after use and sent back to the aluminum producer for recycling. This collaboration across the supply chain between us, the aluminum supplier, the logistic partners and the printing company supports our transition to a progressively more circular economy.

· Sustainable and safe healthcare solutions
Both our Medical Imaging IT solutions and Radiology solutions are aimed at transforming delivery of care – supporting healthcare professionals across the globe with secure, effective and sustainable imaging data, providing definitive answers to patients. These improvements in the quality and efficiency of healthcare go together with high vigilance so as to always ensure data security and systems safety.

· ZIRFON H2 separators for Alkaline Water Electrolysis (AWE)
Agfa's ZIRFON H2 separators offer electrolyzer manufacturers and owners of hydrogen production projects a reliable solution in terms of durability and sustained high productivity, even in the dynamic operating conditions typical to renewable energy sources.

Our 2022 performance and activities

In 2022, we continued our efforts to integrate sustainable development in the solutions we bring to the market. More specifically, we continued:

- Leveraging our core competences to continue supporting the emergence of the green hydrogen industry. As a great recognition of our effort, Agfa received the 2022 Innovation Award from essenscia, Belgium's Chemical Industry and Life Sciences Federation, for our groundbreaking Zirfon UTP 220 membrane technology for green hydrogen production;
- Pushing the transition to additive inkjet technology for the Printed Circuit Boards (PCB) industry with our DiPaMAT inks. This technology allows lower ink consumption for the same printed surface and uses solvent-free inkjet inks;
- Evolving towards digital solutions in our medical imaging and graphics markets, optimizing workflows, material usage and remote work & collaboration so that time and resource waste are significantly reduced when compared to the use of analog solutions.

In order to better steer the sustainability of our innovations across our diverse product portfolio, an in-house methodology to assess the environmental and social footprint of our products was developed in 2021. After benchmarking existing tools, we decided to opt for a tailor-made approach that could fit our needs.

This method builds on a questionnaire for product development teams that allows to identify a product's sustainability improvements at R&D design phase, compared to their previous versions on the market.

After a successful pilot phase to test the draft method on a few projects, this 'sustainability matrix' was added to the mandatory documents required to complete the Product Development Procedure of Agfa Digital Print & Chemicals Division in 2022. All product roadmaps launched since then were compliant to our no throwback in sustainability towards next generation products principle. In the coming years, we will continue to monitor the use of this tool in order to refine and improve it where needed so it can potentially also be adapted to the other business divisions.

2. Innovation and investments

Relevance, definition and boundaries

Innovation is part of our DNA and we consider it essential for the accomplishment of our growth strategy. To support the different processes that ensure continuous innovation, we invest 5-6% of our turnover in R&D and innovation each year. Product and technology innovation at Agfa strives for sustainable value creation for our customers and other stakeholders, an objective which is embedded in our ideation processes.

In addition to developing new products, we are constantly looking for solutions that not only reduce our own ecological footprint, but also that of our customers.

Our management approach

Since 2019, our innovation generation process has been structured at global level to ensure full synergy and cross-fertilization between different areas with a potential for innovation. As Agfa is in a transformation process, it has been decided that innovation would best be placed in close proximity to areas of growth. Therefore rather than operating as an independent group, the innovation offices were transferred to the business divisions in 2022.

While our HealthCare IT business division fully relies on the innovation focus of its dedicated R&D team, the innovation teams integrated into our DPC, Offset and Radiology divisions remain supported by our Materials Technology Centre (MTC), an R&D group which has historically been operating as an Agfa competence center, supporting divisions in technological innovation for materials and processes.

Innovation at Agfa is characterized by the process of setting up a continuous ideation process selecting, validating and ranking proposals. The ideas are assessed through a tailored scoring methodology which considers the attractiveness of the market segments, commercial success factors, technical feasibility and sustainability criteria regarding People & Planet. The evaluation of changing business models is also an important assessment criterion. A relevant example for us within this context is digitalization and Software as a Service.

Innovation teams continue to look at societal and market trends to identify where Agfa can develop new business in adjacent and less adjacent markets and technologies, in line with the current company strategy. This is done either by leveraging existing core competencies, or through developing new markets and technologies.

We also involve our customers and other industry stakeholders in our innovation process through our sales and service teams, as they are best placed to capture the needs of our customers and, by extension, of society.

Collaboration and open innovation are stimulated to accelerate the introduction of solutions in markets where we are not present today. Collaboration with startup and scale up networks is set up to accelerate the exploration and validation of ideas in new applications or unknown markets, but also to encourage a learning mindset and stimulate employees to dare to leave their comfort zone. One example is engaging innovation teams and other co-workers in corporate venture projects with business angels.

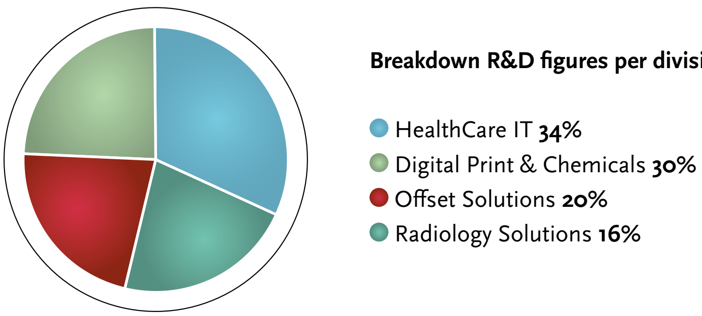
With regards to our chemistry expertise, one way that we share this is via Agfa-Labs, our open innovation platform for materials and coating research. Through this platform, we support the industry to investigate the potential use of materials in applications such as life sciences, construction, plastic & polymers, etc.

Our indicators

1. % Annual revenue invested in R&D (for the full Group)

Our 2022 performance and activities

In 2022, we invested 5.4% of our revenue in R&D, which confirms our strong focus on continuous innovation. Our strong commitment is also shown by the series of collaborative innovation projects we set up, either Government/EU funded or industry funded, which aim to contribute to continuous innovation either by improving the performance of existing materials, or by developing new ones.



In addition to the projects specifically aimed at environmental impact reduction described under the 'Focus on our Planet' chapter, here are some examples of the spectrum of innovation activities we have been investing our resources in:

· **DUVAL**

An EU funded project in collaboration with one academic partner to develop know-how on thin film evaporation, specifically for challenging products due to their chemical nature. We also provide access to other companies to perform research, or even run pilots on Agfa's distillation platforms.

· **Atom and Flex**

Two projects funded by the Flemish Government to develop flow chemistry solutions for a safer and more sustainable production of chemical building blocks.

In the case of the Atom project, we are part of a wider consortium consisting of four industrial and four academic partners. As a result of this project, we introduced a continuous flow reaction process in our chemical production plant, avoiding the use of bromine on site. The Flex project on the other hand has allowed Agfa to invest in an automated dosing station enabling continuous production.

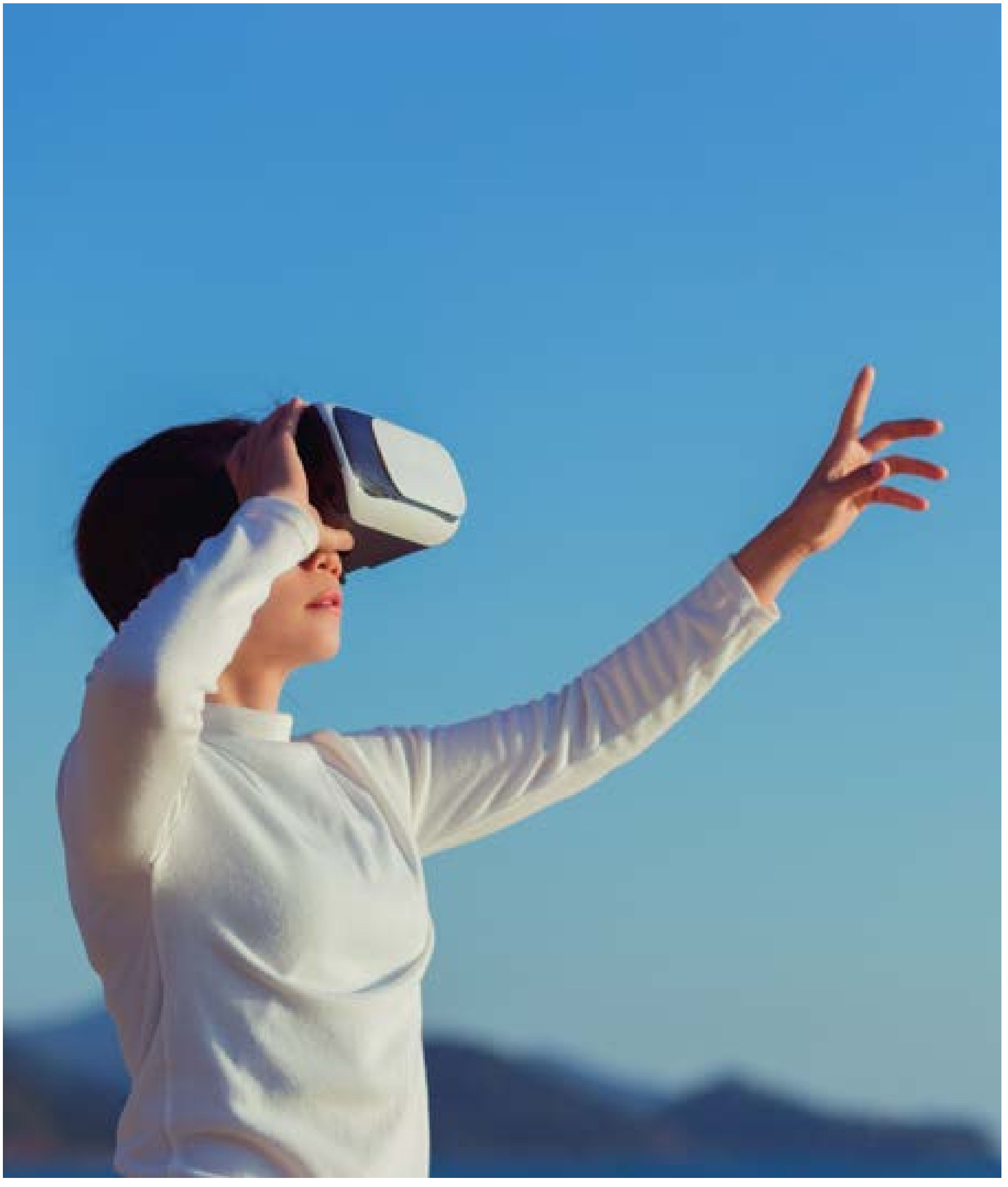
· **MMICAS**

A project funded by the Flemish Government led by a consortium of three industrial and four academic partners to evaluate the possible use of ultrasound technology at industrial scale. This technology fits very well in the process intensification strategy, where solutions are developed for more sustainable chemical production with regards to raw material use, energy use, waste generation and process safety.

As of February 7, 2023, Agfa owned 704 active patent families, together representing 2,634 active patent rights, of which 2,131 granted patents and 503 pending applications. This decrease, compared to previous years, is part of a planned optimization effort on the quality of our patent portfolio, maintaining solely those patents with a high strategic value.

Our commitment for the future

2022 remained a challenging and transformative year for us. As we are in a process of internal reorganization to adapt our structure to changing market demands, we remain convinced that continuous investment in research and innovation is the key to continue succeeding in our mission of being the partner of choice for the long term for our customers. R&D and innovation will continue to be at the core of our growth strategy, focused both on improving the performance of existing solutions and on developing new ones.



3. Ethical business conduct & compliance

Relevance, definition, and boundaries

Our goal is to compete vigorously, independently, ethically and fairly, while assuming the responsibility of being a socially responsible company in all countries in which we operate worldwide.

Our management approach

Agfa's policies detail our commitment to acting ethically and partnering with organizations that share our vision. These policies include our Code of Conduct that lists high-level principles that reflect our objective to operate and grow in a sustainable way, taking into account the wishes and well-being of our stakeholders, both internal and external.
The CoC includes, amongst others, principles regarding:

- Zero-tolerance policy for bribery and improper payments, both accepted and executed;
- Zero-tolerance policy for conflict of interest and insider trading;
- Full compliance with competition and anti-trust laws;
- Strict respect of intellectual property rights of third parties, agreed confidentiality rules and non-disclosure commitments.

The behavior covered by the CoC is defined by the Board of Directors and reviewed on a regular basis. All employees are expected to respect the rules set out in the CoC. Furthermore, every two years, senior managers (Level 2 and above) are systematically asked to (re)confirm that they have read and understood the Code of Conduct.

Violations of laws, regulations or Agfa-Gevaert Group policies – such as the CoC – on fraud, antitrust, corruption, conflicts of interest and other similar areas, can have serious consequences for the Group. Possible consequences include prosecution, fines and penalties, as well as contractual, financial and reputational damage.

To track and ensure compliance with the principles of the Code, Agfa has implemented whistle-blowing arrangements to deal with any issues that arise. Agfa's employees can at any time submit a question or complaint via email, phone, or letter to their immediate superior or to the Group Compliance Office. Complaints and questions are handled in a systematic and confidential manner by the Group Compliance Office. Specialized and independent contact people may be appointed for specific topics covered by the CoC in accordance with local regulation, e.g. a contact person within HR for specific HR related matters.

Ethical conduct is not limited to compliance with the CoC however. It is complemented by more detailed corporate, divisional and/or local policies that define how to roll out these principles per each domain.

For example, in addition to the Global CoC, there is also a specific Code of Conduct for Agfa Suppliers, Distributors and Agents that is used by the Agfa Purchasing department which, due to the specific nature of its tasks, is one of our key interfaces with the outside world. This CoC builds on the Global CoC and specifically regulates interactions with suppliers, distributors and agents, providing specific examples of what is considered a potential breach of the rules and how employees are expected to behave in such circumstances.

Pursuant to Section 54 of the Modern Slavery Act 2015, Agfa HealthCare UK Ltd, as part of Agfa-Gevaert Group, has also issued a Modern Slavery Statement, renewed in 2022. It sets out the steps taken to prevent modern slavery and human trafficking in its business and supply chains, such as monitoring and improving processes to ensure transparency.

Our 2022 performance and commitment for the future

One complaint was reported in 2022 via the whistle-blowing procedure for an alleged breach of the Agfa CoC. Upon further analysis of the notification, an Internal Audit concluded that there had been no breach and the file was closed without the need for follow-up or corrective action.

Compliance with the Agfa CoC is required for all employees. In 2022, all senior managers involved in decision-making processes (i.e. level 2 and above) had (re)confirmed that they have read and understood the Code of Conduct. This process is repeated every two years to mitigate the risk of non-compliance linked to unawareness.

Dedicated channels have also been made available on our online training platform Percipio, e.g. 'The Ethical Leader' and 'Ethics, Integrity & Trust', so employees can learn behaviors and strategies to model ethical, honest and trustworthy practices.

Our annual Compliance Review was presented directly to the Board of Directors before the end of the 2022 fiscal year.

4. Product Stewardship & Service Quality

Relevance and boundaries

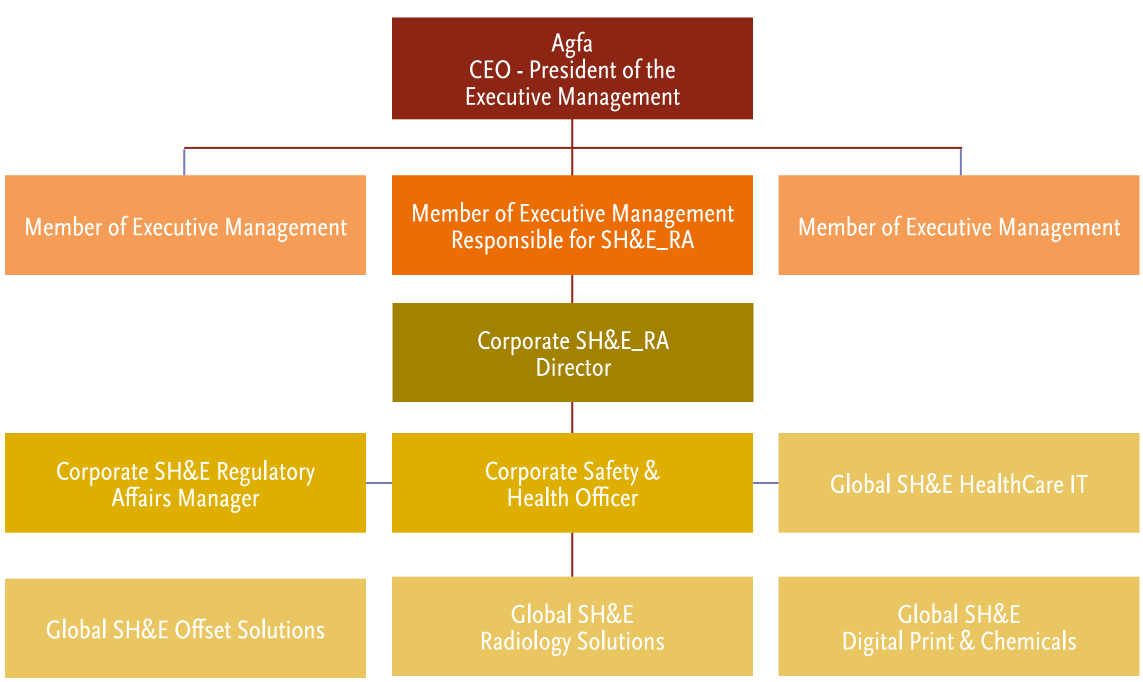
As stated in our Safety, Health & Environment (SH&E) policy, product stewardship is a central corporate commitment for us.

We buy, use and sell chemical products, electronics and services globally – hence the proactive management of our products and services on-site and beyond, including engagement with suppliers and downstream users, is the pre-requisite to deliver safe and useful products to the market. The basis for successful product stewardship is regulatory compliance to existing legislation, proactive anticipation of future requirements and a deep understanding of the impacts of market developments on our products and services to ensure service-oriented customer relations. This section specifically focuses on SH&E regulatory affairs management.

Our management approach

The different activities around SH&E management are based on our internal Corporate Safety, Health & Environment (SH&E) policy. Each division unit appoints an SH&E Manager who contributes to the roll-out and evaluation of the corporate SH&E policy and objectives and is member of the Corporate SH&E Management Committee. The policy is reviewed at least every three years unless the Management Committee considers it relevant to do it more often. The SH&E Management Committee also monitors the constant development of legislation worldwide for the chemicals, products and services we place on the market.

Our local site management is responsible for implementing the Corporate SH&E policy and for complying with the local legislation that is applicable to the operation of the manufacturing site itself, under the coordination of the plant SH&E coordinator. To ensure the highest SH&E standards, we have different policies in place at each site. The focus of the different policies is defined at local level, both upon the basis of specific local and national legal requirements, and on the type of operations carried out at each plant.



A Rationalization Committee of Chemicals (RCC) is in place to support the overall implementation of legislation regarding chemicals. It is composed of managers appointed by different business lines and it meets every quarter to align on chemical substitution strategy or other actions to remain compliant with current and future legislation. Due to the nature of our products, the RCC pays particular attention to certain substances or groups of substances and specific regulations:

- CMRs – following our CMR policy, Agfa products do not contain any CMR category 1A or category 1B substances at market introduction. CMR category 2 substances are only allowed if a technical investigation found their use unavoidable and safe use has been proven;
- REACH regulation;
- SVHC – for which we routinely assess safer potential alternatives;
- End-customers' own restriction lists – we ensure our solutions meet compliance rules of specific procurement criteria and restrictions that are defined by the end customers of our own products;
- Eco-labelling criteria – upon request of our customers, we provide products that fulfill the criteria of specific labeling schemes, e.g. the Nordic Swan or the EU Ecolabel.

Our goal is to always strive for zero non-compliance regarding the different guidelines listed above. For this reason, we have an internal system in place to report and assess any instance of non-compliance. When one is identified, either preventively, by our own audit, or reported by a customer, a notified body, or an authority, we ensure the process is adapted to prevent future occurrences.

Our 2022 performance and activities

Our efforts around sound products and services management with the aim of ensuring full compliance of our portfolio to binding legislation was pursued in 2022.

With regards to chemical management, we focused on the following, in addition to continuous supporting processes:

- Providing support to the Impact Assessment of the Chemicals Strategy on Sustainability performed by Cefic to feed the development of the EU dossier;
- Updating REACH dossiers as Agfa is involved in the Cefic REACH Declaration of intent of the Cefic Improvement Action plan;
- Proactive PFAS substitution.

Moreover, while Agfa HealthCare was among the first to receive the new European Medical Device Regulation (MDR) certification from Intertek in 2021, the achievement of MDR certification was also completed in 2022 for Agfa Radiology Solutions. The success of achieving MDR certification cannot be overstated as the MDR was not only new for Agfa, but for the entire medical devices industry and controlling authorities as a whole. The required changes impacted all our processes from pre- to post-market, from regulatory monitoring to clinical evidence and was made possible through the collaborative efforts of multiple teams. This new MDR CE marking confirms Agfa compliance with the highest standards required by healthcare providers.

Our commitment for the future of responsible production

Helping to drive the entire industry towards more sustainable production is of utmost importance to us and we will continue to fully support this goal, both via our own processes, as well as through associations representing all of the sectors we operate in.

Our approach to product stewardship is strong, with a dedicated team, clear policies, established processes and internal controls that define day-to-day management. This approach is already fully embedded in our way of working and the commitments ahead of us are clear and detailed. Beyond complying with all upcoming new regulations, our efforts for the future will be focused on the implementation of the requirements defined within the context of the Green Deal and particularly on the Chemicals Strategy for Sustainability.

In the coming years, we also intend to better structure our approach to delivering sustainable business solutions and managing sustainability in the value chain. We are already active in these areas, mainly addressing these processes at divisional level and 'per market'. While the divisions know our customers better and will continue to be in charge of defining the right approach, corporate sustainability goals and targets will serve as global supporting guidelines.

EU Taxonomy

The EU taxonomy is a classification system establishing a list of environmentally sustainable economic activities that could play an important role helping the EU scale up sustainable investment and implement the European Green Deal. It is based on six environmental objectives, namely Climate Change Mitigation, Climate Change Adaptation, Sustainable Use and Protection of Water and Marine Resources, Transition to a Circular Economy, Pollution Prevention and Control, and Protection and Restoration of Biodiversity and Ecosystems.

The Regulation (EU) 2020/852, i.e. the EU Taxonomy Regulation, entered into force in July 2020 and sets out a disclosure obligation for entities in scope. The Agfa Group falls in scope of the EU Taxonomy Regulation as 'non-financial undertakings' and it is subject to the reporting requirements as they apply to this category. For each of the environmental objectives, technical screening criteria are defined through delegated acts.

Last year, as the first reporting application of the Regulation, we disclosed the results of a first screening of our operations to identify taxonomy eligible activities, using both the NACE codes and the activities descriptions listed in the Regulation. '3.17 Manufacture of plastics in primary form,' '3.8 Manufacture of aluminum' (Secondary aluminum recycling) and '8.1 Data processing, hosting and related activities' (IT services and Technology Information)' were identified as eligible activities, and others potentially classified as 'enabling', e.g. the construction of our solar park or the production of heat/cooling using waste heat ('Warmtenet' project). Unfortunately, we could not finalize the analysis of the associated financial KPIs due to the difficulty of linking our transaction to NACE codes rather than to the Group divisions, as traditionally done at Agfa. These values were therefore not reported in our previous annual report. We could in the meantime work on this.

As of this year, we are required to disclose our eligibility and alignment reports related to Climate Change Mitigation and Climate Change Adaptation for the previous calendar year. In other words we are required to disclose the proportion of our turnover derived from products or services associated with Taxonomy-aligned economic activities. We are required to disclose the proportion of their capital expenditure (CapEx) and operating expenditure (OpEx) that are related to assets or processes associated with Taxonomy-aligned economic activities, those that are part of a CapEx plan to expand Taxonomy eligible activities or allow activities to become aligned or linked to the purchase of output from Taxonomy eligible activities & individual measures enabling the target activities to become low-carbon or to lead to GHG reductions for 2022 (these disclosures are therefore related to the same fiscal year that is considered for the rest of our annual report).

In order to fulfill these obligations, we began carrying out a more in-depth assessment of our activities to verify their eligibility. Our understanding of the taxonomy definitions and application increased along the process and as a result we had to revise our initial screening. Thus '3.8 Manufacture of aluminum' (Secondary aluminum recycling) ultimately had to be dismissed as it is related to the manufacturing of aluminum process, for which Agfa is not involved as a manufacturer: we buy semi-finished aluminum products and deal with the recovery of aluminum for recycling, which falls out of the Taxonomy definition.

The same situation occurred with '3.14 Manufacture of organic basic chemicals' as AGFA is involved in the mixture rather than the manufacturing of chemicals, which were also not part of the organic basic chemicals listed in the EU Taxonomy.

This has been one of our biggest challenges in the eligibility process. We have often been confronted with the fact that our initiatives, although they strive for more sustainable performance, do not fit the description of any of the activities included in the Act, neither with regards to Climate Change Mitigation nor Climate Change Adaptation Objectives.

A further example occurred with PCB coating recycling and manufacturing of printing inks and inkjet digital printing equipment which aim to reduce waste rather than emissions. We are hopeful however that these could potentially be included in the Delegated Acts for the remaining four environmental objectives, not yet available at the time this report has been drafted.

Contribution to climate change mitigation environmental objective

During the screening assessment of Agfa economic activities, three types of eligibility were considered:

1. Standalone eligibility when the economic activity has the potential to significantly contribute to the climate change mitigation environmental objective through its own performance;
2. Enabling eligibility when the economic activity has the potential to play a crucial role in the decarbonization of the economy by directly enabling other activities to be carried out at a low carbon level of environmental performance;
3. Transitional eligibility when the economic activity cannot yet be replaced by technologically and economically feasible low-carbon alternatives but has the potential to support the transition to a climate-neutral economy.

As a result:
The following Agfa economic activities qualify as standalone eligible activities:

- 4.15 District heating/cooling distribution *('Warmtenet')*
- 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels *(Co-generation gas, electricity & heat)*
- 5.3 Construction, extension and operation of waste water collection and treatment *(Water treatment installation)*
- 5.9 Material recovery from non-hazardous waste *(Recovery of phosphor out of Imaging plates)*
- 6.4 Operation of personal mobility devices, cycle logistics *(Mobility Plan – Bike leasing)*
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles *(Mobility Plan – (PH) EVs leasing)*

The following Agfa economic activities qualify as enabling eligible activities:

- 3.6 Manufacture of other low carbon technologies *(Zirfon)*
- 4.11 Storage of thermal energy *(Heat collector in water)*
- 7.3 Installation, maintenance and repair of energy efficiency equipment *(for Agfa manufacturing sites)*
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings *(for Mortsel, Belgium)*
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings *(for Mortsel, Belgium)*

The following Agfa economic activities qualify as transitional eligible activities:

- 3.17 Manufacture of plastics in primary form *(PET)*
- 8.1 Data processing, hosting and related activities *(Healthcare IT Managed Services)*

	In 2021	**In 2022**
Proportion of Turnover linked to Taxonomy-eligible economic activities	28.0%	**27.1%**
Proportion of CapEx linked to Taxonomy-eligible economic activities	36.1%	**29.7%**
Proportion of OpEx linked to Taxonomy-eligible economic activities	31.7%	**29.3%**

Contribution to climate change adaptation environmental objective

All the previously mentioned Agfa economic activities and the additional "adapted" activity '8.2 Computer Programming, Consultancy and Related Activities' that we identified could not be considered as eligible for climate change adaptation as per the Disclosures Delegated Act frequently asked questions (FAQ) document published by the EU Commission on December 19, 2022, due to the fact that a climate risk and vulnerability assessment of the most important physical climate risks that are material to each economic activity and a documented climate adaptation plan for these activities are not yet in place.

Taxonomy alignment

In order to be aligned and thus qualify as environmentally sustainable according to EU Taxonomy, the eligible economic activities must also do no significant harm (DNSH) to any of the other environmental objectives set out in the Taxonomy Regulation, be carried out in compliance with minimum (social) safeguards set out in the Taxonomy Regulation and comply with technical screening criteria established by the Commission through delegated acts in accordance with the Taxonomy Regulation.

Based on the fact that all activities share the same DNSH criteria with regards to the climate change adaptation environmental objective (i.e. the development of a climate risk and vulnerability assessment for each eligible activity, and that Agfa's environmental risks assessment performed at corporate level (see pages 22-48) is not specifically developed to adapt each of the eligible activities to the adverse impact of current or expected future climate risks), it can be concluded that all activities identified as Taxonomy-eligible are automatically considered not Taxonomy-aligned. As a result, the proportion of Turnover, CapEx and OpEx linked to environmentally sustainable activities (Taxonomy-aligned) was 0.0% both in 2021 and in 2022.

However the alignment process is an ongoing journey. Considering the relative long list of eligible activities and the fact that these are eligible due to the nature of our business but still need to be documented according to the EU Taxonomy Regulation requirements, we are reviewing how to best address the gaps and speed up the assessment for the other DNSH criteria and the Technical Screening Criteria in order to increase our aligned performance for the next reporting years.

Regarding compliance with minimum safeguards as laid out in Article 18 of the EU Taxonomy Regulation, we consider that the substantive topics which remain pertinent to them, i.e. human rights (including labor and consumer rights), bribery, bribe solicitation and extortion, taxation and fair competition, are already part of our DNA and way of operating.

Some process and documentation improvement points have been observed, concerning for example the human rights due diligence process, while screening our procedures in the context of EU Taxonomy to ensure the alignment with the OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines), UN Guiding Principles on Business and Human Rights, Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and International Bill of Human Rights.

However no breaches of laws and regulations regarding these four core topics have occurred, neither has Agfa refused to engage in a case taken up by an OECD National Contact Point (NCP). This annual report addresses in different sections our core values and practices implemented to roll out these minimum safeguards in a responsible and respectful way. For further details on our commitments we refer to our Group Code of Conduct and to the chapters throughout this report.

Accounting policy

Specification of the key performance indicator (KPI) related to Turnover for Eligibility Reporting

As set out in Section 1.1.1 of the Disclosures Delegated Act which defines the Turnover KPI, the KPI numerator is calculated based on the net turnover derived from products or services, including intangibles, associated with identified eligible activities such as those generated by Agfa products linked to the manufacture of plastics in primary form (PET), other low carbon technologies (Zirfon), phosphor recovery from imaging plates, or Healthcare IT managed services (hosting activities).

For the KPI denominator, Section 1.1.1 of the Disclosures Delegated Act sets out that the total net turnover is calculated as amounts derived from the total sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover. Revenue from entities under the equity method, intercompany revenue, income from subsidies, revenue from discontinued operations and IFRS 5 profit are excluded.

These definitions are in line with International Financial Reporting Standards (IFRS), the reporting framework used by Agfa for the financial part of this annual report.

Specification of the Key Performance Indicator (KPI) related to capital expenditure (CapEx) for eligibility reporting

As set out in Section 1.1.2 of the Disclosures Delegated Act that defines the CapEx KPI, the KPI numerator is calculated based on the net CapEx from Taxonomy eligible activities that are:

- Related to assets / processes associated with Taxonomy eligible activities;
- Part of a plan to expand taxonomy eligible activities or allow activities to become aligned (CapEx plan);
- Linked to the purchase of output from Taxonomy eligible activities & individual measures enabling the target activities to become low-carbon or to lead to GHG reductions, provided that such measures are implemented and operational within 18 months.

These definitions are in line with the reporting framework used by Agfa for the financial part of this annual report. CapEx for specific projects/activities is easily traceable based on project numbers and has been listed on that basis. More general CapEx however, for instance essential replacements/renewals/enhancements to ensure the factory keeps running, have been allocated to the eligible activities based on allocation keys linked to the volumes that each activity represents in that CapEx area.

For the KPI denominator, according to the Section 1.1.2 of the Disclosures Delegated Act, the total CapEx covers additions to tangible and intangible assets before depreciation, amortization and re-measurements, including those resulting from revaluations or impairments for the relevant fiscal year and excluding any changes in fair value and assets resulting from business combinations.

Specification of the key performance indicator (KPI) related to operating expenditure (OpEx) for eligibility reporting

As set out in the Section 1.1.3 of the Disclosures Delegated Act which defines the OpEx KPI, the KPI numerator is calculated based on the net OpEx from Taxonomy eligible activities that is:

- Related to assets / processes associated with Taxonomy eligible activities, including training and other human resources on climate adaptation needs, and direct non-capitalized costs that represent R&D;
- Part of the Capex plan to expand Taxonomy eligible activities or allow activities to become aligned;
- Linked to the purchase of output from Taxonomy eligible activities & individual measures enabling the target activities to become low-carbon or to lead to GHG reductions, as well as building renovation measures, provided that such measures are implemented and operational within 18 months.

For the KPI denominator, according to Section 1.1.3 of the Disclosures Delegated Act, the total OpEx covers direct non-capitalized costs relating to R&D (not included in Capex), building renovation measures, short-term lease, maintenance and repair and any other direct expenditures relating to day-to-day servicing of assets of property, plant & equipment (PPE) by the company or a third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

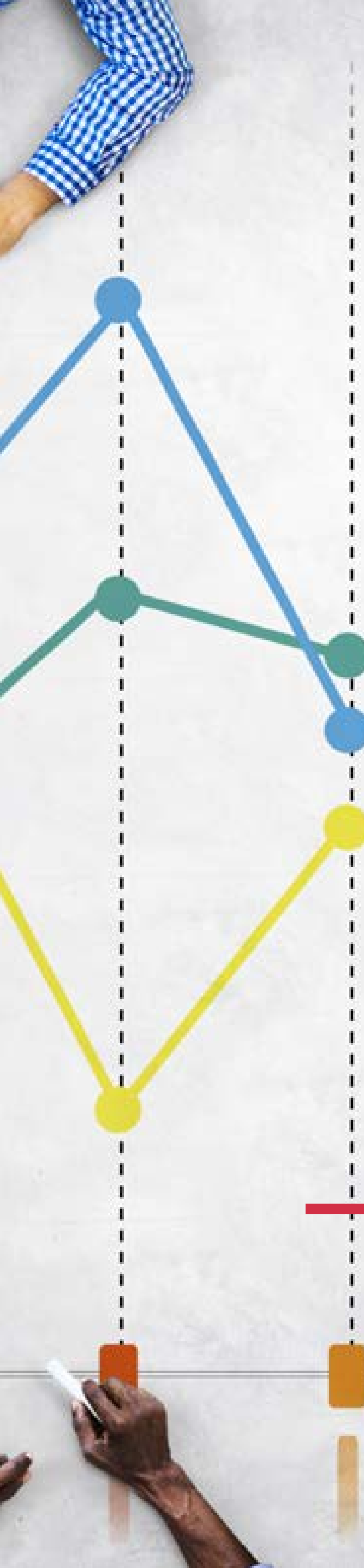
These 'Other direct expenses' exclude non-exhaustively, as per the Disclosures Delegated Act frequently asked questions (FAQ) document published by the EU Commission on February 5, 2022: overheads, raw materials, cost of employee operating the machine, cost of managing R&D projects, electricity/fluids needed to operate PPE but include maintenance material, cost of employee repairing a machine, cost of employee cleaning a factory, IT dedicated to maintenance.

These definitions are not fully in line with the reporting framework used by Agfa for the financial part of this annual report. Therefore we have made sure that all reported figures are documented and auditable, limiting the number of assumptions to the maximum. We believe that the applied methodology covers most cost centers with limited deviations and therefore no significant gaps are expected:

- R&D has been directly retrieved from our Profit & Loss statement;
- Building renovation measures, maintenance and repair and any other direct expenditures relating to day-to-day servicing have been considered together in order to avoid double counting in the allocation in the numerator across economic activities;
- Figures are retrieved out of a dedicated G/L account for 'Repair and Maintenance Expenses & Quality Expenses' that comprises all external costs related to repair and maintenance, including cleaning and security expenses. For internal costs, we have decided to avoid the combination of information from different cost accounts in order to keep a clear source of information and avoid double counting in the allocation of the numerator across economic activities. Instead, we have assumed for all companies, except the biggest contributor Agfa Gevaert NV, that this account covers all relevant costs. For Agfa Gevaert NV we replaced this account with only relevant external costs completed by the sum of all maintenance & special repairs (both internal & external) registered on all costcenters within Agfa Gevaert NV (excluding of course the R&D costcenters to avoid doublecount);
- Short-term lease is retrieved out of a dedicated G/L account 'Lease Costs of Low Value Assets and Short-term Leases'.

Specification of the key performance indicator (KPI) for alignment reporting

The same definitions apply as the basis for the calculations of KPIs for alignment reporting for Turnover, CapEx and OpEx numerators and denominators, provided that 'eligible' gets replaced by 'aligned' and 'eligibility' by 'alignment' in the text.



Company Information

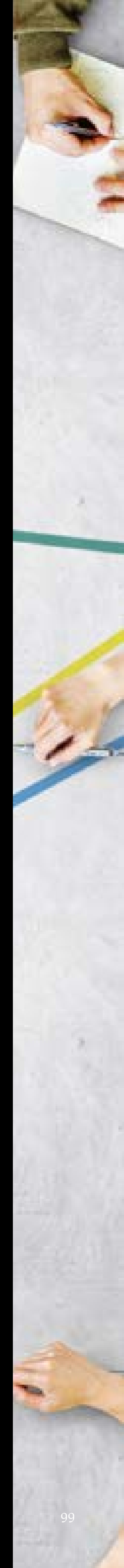
Our governance structure

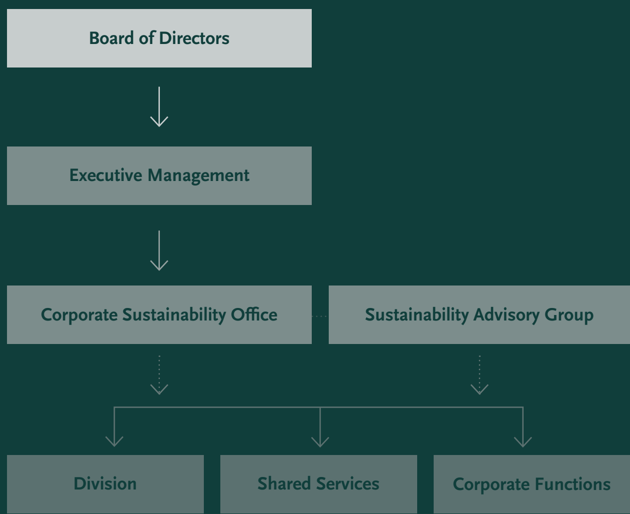
Sustainability governance is fully integrated into the overall Agfa governance structure as it is part of the organization's core business. As explained in detail in our publicly available Corporate Governance Charter, this means that the Board of Directors (BoD) is the ultimate management body for Agfa's sustainability strategy. The BoD entrusts the CEO, supported by the Executive Committee, together with whom he forms the Executive Management Team (EMT), to steer and supervise the implementation of Agfa's Sustainability Strategy. The Head of Sustainability, since 2022 himself an EMT member, reports bi-monthly directly to the EMT and to the BoD to provide updates on progresses and to seek strategic guidance.

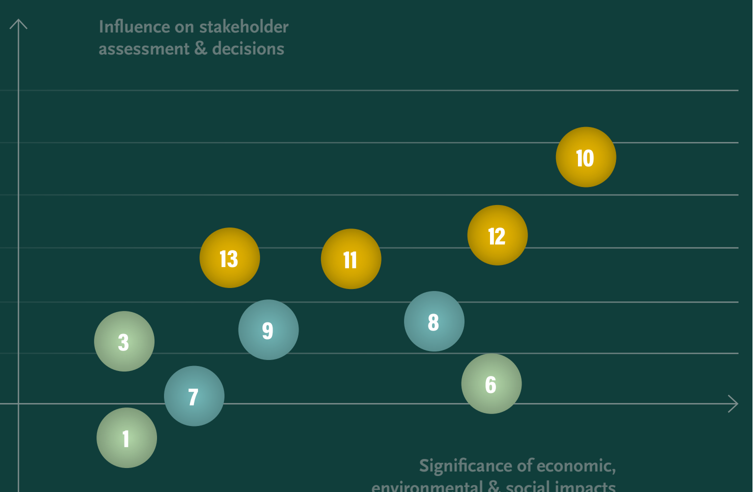
The Corporate Sustainability Office coordinates the daily roll-out of all activities in cooperation with relevant departments.

Since a sustainable business practice entails embedding it in all processes and at all levels of operations, coordination between regions and between departments and business units is essential to successfully implement the global strategy. Hence, the Corporate Sustainability Office relies on the Sustainability Advisory Group, which is composed of high-level managers leading teams across different business functions (e.g. Research & Development, Procurement, Communications, Human Resources, Corporate Risk, etc.) and acting as sustainability ambassadors. This group provides strategic advice on sustainability matters, suggests new ideas and ensures synergy and cooperation between departments. More details on specific governance for the key material topics is provided in the following chapters of this report under 'Our management approach'.

Published in 2022, the Corporate Sustainability Policy is used at every business level in order to set specific actions and intermediate milestones to reach our company-wide objectives. Since 2022, the achievement of these ESG objectives is also a factor in the calculation of the Global Variable Bonus for all senior leaders in management grades 1 & 2.







Planet

1. Resource scarcity and efficiency (raw materials)
2. Circular economy: Waste management & product recycling
3. Water and waste water
4. Energy usage
5. Greenhouse gas emissions
6. Sustainability in the value chain

People

7. Employee well-being, Human Capital, Learning & Development
8. Respect for Human Rights
9. Health & Safety

Performance

10. Sustainable business solutions and production
11. Innovation and investments
12. Ethical business conduct and compliance
13. Product Stewardship & Service Quality

Double materiality assessment

In 2019, we formalized our commitment to sustainability by carrying out a first materiality assessment to identify the topics representing our most significant impacts on the economy, environment and people, allowing us to thoroughly analyze our main non-financial societal impacts. This internal analysis was then integrated with an external analysis regarding the significance for our main stakeholders and hence how these issues would affect the business. The internal materiality exercise was done within the context of a Corporate Social Responsibility (CSR) workshop, attended by the CEO, Executive Management members and heads of the Research & Development Center, Innovation Office, Business Divisions, Internal Audit, Investor Relations, Human Resources and Corporate Communications. The external analysis was conducted via media analysis, peer-review and expert views.

The workshop resulted in the identification of the key priorities on which our sustainability strategy was to be shaped:

- Six Sustainable Development Goals (SDGs) were selected as the most relevant for Agfa based on the potential beneficial impact that our activities can have in reaching these goals and were grouped around three focus areas: Planet, People and Performance;
- The upper right quadrant comprises the 13 themes with the highest materiality for our stakeholders and impact of Agfa – these are therefore covered in most detail in this report.

We realize that a materiality assessment needs regular revision. Constant reviews allow to pursue the goal of continuous improvement, gradually stepping up our ambition based on our maturity. They also ensure relevance of the assessment versus the ever-changing societal context we operate in. We expect to update our materiality assessment every two to three years.

For this reason, we surveyed our Sustainability Advisory Group in 2021 so as to ensure the adequacy of selected goals. The survey confirmed that we were indeed working on priorities that were relevant to the business context. Survey results also identified additional focus areas where additional efforts would be needed for our priority SDGs, such as smaller actions to avoid mid to long term health issues, e.g. from sitting behind a computer for too long under Good Health and Well-Being (SDG 3).

This led to concrete actions, such as the kick-off of our Employee Resource Groups in 2022 that showed an increased awareness of the role employees can play in driving the journey. We are also preparing to run a full double materiality assessment in the coming years where we will include our stakeholders in the external analysis process more directly.

To assess our approach to sustainability management and benchmark our performance compared to the best in the sector, we carried out a third-party assessment via EcoVadis for the first time in 2021. EcoVadis is one of the world's largest providers of business sustainability ratings, which we chose because it has already rated more than 85,000 companies. The EcoVadis sustainability assessment is a paid service to assess a company's material sustainability impacts based on a questionnaire and extensive supporting documentation. This material is assessed by the organization based on international standards such as the Global Reporting Index (GRI), ISO 26000 and the guiding principles of the Global Compact. In 2021, we decided to begin such assessment by focusing on the sites belonging to our Agfa-Gevaert NV entity. The feedback received by EcoVadis is a great source of information that we are using to identify improvement paths in our processes for the whole Group.

In 2022, our performance was scored at 53 out of 100, placing us in the 60th percentile of the companies assessed by EcoVadis and allowing us to renew our Bronze medal. This improvement compared to 2021 was mainly driven by the impact of dedicated working groups implemented for Ethics and Sustainable Procurement. We plan to use the same approach in 2023 and progress even further.

Risk management

Prioritizing sustainability material topics, as well as delivering our growth strategy in the long term, relies on appropriately identifying and managing risks that could affect our operations. Risk management is therefore an integral part of our decision-making process regarding the business strategy as a whole. At a higher level, Agfa's Executive Management is responsible for the Group's internal control and risk system, including those related to financial reporting as approved by the Board of Directors.

Risk management processes, in accordance with ISO 31000 risk management standards, are already embedded in Agfa procedures and management systems. Considering risks and opportunities are an integral part of the decision process at the different levels within the organization, specific control mechanisms and deep-dive risk assessments are implemented where needed by business units and/or by corporate offices. Overall, there is strong awareness of risks (internally referred to as uncertainty/threat) with a very high focus on mitigation actions.

The Agfa Risk Management approach uses the principle of both the 2017 COSO-ERM and the 2018 ISO-31000 risk management guidelines with a focus on strategic objectives to enable the identification of the main threats and relevant treatments strategies linked to strategic objectives.

In the first quarter of 2022, Agfa performed a series of structured interviews that were conducted with Executive Management as well as other critical corporate support functions (e.g. Human Resources, Finance, IT and Supply Chain). We discussed key objectives with each leader and the associated uncertainty/threats that they anticipated could hinder the achievement of their top objectives.

The information collected was systematized and regrouped into three main areas of threat: Business, Operational Excellence and Human Capital. Then they were prioritized by assessing their likelihood of happening within a five-year strategic horizon, as well as their potential financial impact should they materialize.

This top-down approach acted as a proxy to highlight the current highest risks for the Agfa group. Below are the top risks that were identified by the 2022 risk management process - certain risks are slightly regrouped and renamed compared to last year following the most recent risk identification process:

BUSINESS

- Market Trend & Evolution
- Marketing & Customer Relationship
- Regulatory Pressure

OPERATIONAL EXCELLENCE

- Information Security & Data Management
- Innovation & IP
- Customer Supply
- Transformation of Operating Model

HUMAN CAPITAL

- Employee Motivation & Focus
- Competency Bridge

The following is a short description of the risks relevant to Agfa:

MARKET TREND & EVOLUTION

- Ability to adjust to macro-economic trends and (un)expected events such as Covid19, the war in Ukraine, accelerated market transition to digital, etc.
- Ability to integrate and accomplish expected value

MARKETING & CUSTOMER RELATIONSHIP

- Ability to understand and anticipate the needs of customers
- Compliance with contract agreements and the protection of Agfa's reputation (Brand)

REGULATORY PRESSURE

- Ability to comply with global and local regulations
- Ability to manage unexpected (social) media spill over
- Ability to interact with all stakeholders (community, regulators, etc.)

INFORMATION SECURITY & DATA MANAGEMENT

- Ability to secure information technology (IT) systems and operational technology (OT) systems against internal and external cyber threats
- Ability to protect data that Agfa manages internally and on behalf of customers
- Ensure continuity of operations at both customer and supplier level

INNOVATION & IP

- Necessity to innovate as well as to protect intellectual property
- Ability to seek partnership to speed up innovation and market entry

CUSTOMER SUPPLY

- Ability to deliver products and services to customers
- Ability to manufacture safely and according to customers' quality specifications
- Ability to monitor third party dependency while maximizing sourcing opportunities

TRANSFORMATION OF OPERATING MODEL

- Ability to execute complex projects on time
- Ability to ensure accurate and timely financial closing
- Ability to ensure business continuity in all ongoing projects

EMPLOYEE MOTIVATION & FOCUS

- Ability to ensure employee well-being
- Ability to maintain employee motivation and focus on strategic projects
- Ability to adequately communicate internally on the future changes required by the group, as well as maintenance of social dialogue

COMPETENCY BRIDGE

- Ability to manage both in and out flow of workforce over the next five years
- Ability to transfer and safeguard Agfa specific technological knowledge

In addition to the risks described in this chapter, failure to fulfil our obligations towards authorities and stakeholders for any of the points described could result in reputational damage that could hinder the future of the Group. While it is difficult to estimate the impact of such damage, as it would widely depend on the type of issue occurred, we make all possible efforts to prevent this by setting in place clear and effective governance to run all our operations.

The numerous laws and regulations to which Agfa is subject are becoming increasingly complex, stringent and are changing faster and more frequently than before. These laws and regulations include, among others, requirements related to data protection, intellectual property laws, labor relation laws, tax laws, anti-competition rules, etc. Complying with all these regulations on a global scale involves risks as well as additional costs that may negatively impact the group's overall profit performance.

Agfa owns, has applications pending for, and is licensed, under many patents relating to a variety of products, as well as software. The company relies on a combination of patent, copyright, trademark and trade secret legislation, trade secrets, confidentiality procedures, contractual provisions and license arrangements to establish and protect its proprietary rights. The Group also has a policy of strictly respecting third party's intellectual property rights, however there can be no assurance that third parties will not claim such infringements. Any such claim will be investigated on its merits and corrective actions, if any, will be taken as appropriate.

Risks to be disclosed pursuant to the rules regarding non-financial information

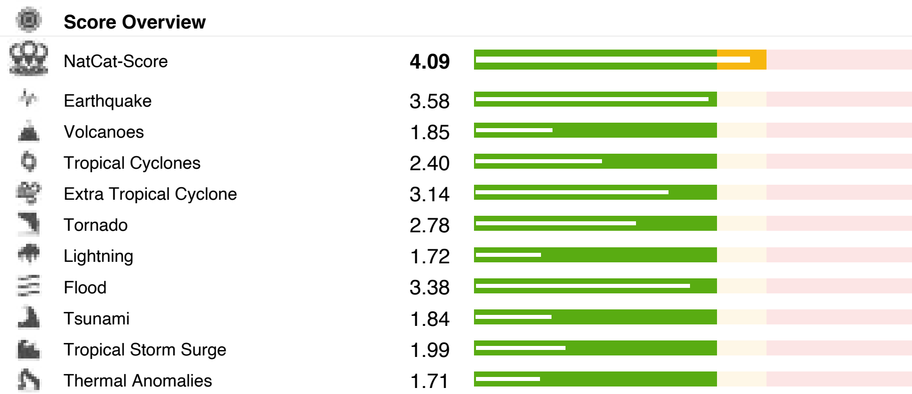
Environmental matters

RISK DESCRIPTION:
Agfa is subject to many environmental requirements in the various countries in which it operates, including air and waste water emissions, hazardous materials and spill prevention and clean up. Significant operating and capital expenditures are invested to comply with applicable standards. Provision is also made for current and reasonably foreseeable compliance and remediation costs.

APPROACH:
Agfa has developed strict policies at each site to prevent the likelihood of these risks materializing. Risk assessment with regards to environmental aspects must be updated at least annually by the responsible departments.

In addition to our efforts to limit our operations' impact on the planet, as previously discussed in the dedicated section of this report, Agfa has assessed and is monitoring possible adverse effect of climate change on its operations in order to be able to initiate an adequate response in case of a major event impacting Agfa's operations and its customers.

Among other long(er) term impacts, climate change causes extreme natural events that could impact the continuity of operations for our sites or in our supply chain. Our global distribution and diverse site locations reduce our exposure to physical risks. Every year, Agfa carries out an assessment of its potential exposure to natural disasters, i.e. earthquake, volcanic eruption, cyclone, tornado, flood, lightning, tropical storm, tsunami and thermal anomalies. In 2022, the assessment covered 296 locations (own manufacturing sites, owned or rented warehouses and stocks at customer locations), distributed across 36 countries and six continents. From this analysis it resulted that the exposure for our direct operations is relatively low.



SOCIAL AND PERSONNEL ISSUES

With regards to social and personnel related risks, failure to attract relevant talents and the potential to lose key management and personnel are key points to address in order to enable Agfa to fulfill its strategic ambition, build further expertise and, above all, manage the other risks faced as an organization. In 2021, the continued COVID-19 crisis severely affected our people and society at large and we continued taking precautionary measures to ensure the safety of our teams.

In cases where the pandemic had an impact on retaining personnel, decisions were made in liaison with union representatives and in full transparency with relevant stakeholders. We also work to ensure we can offer a remuneration package in line with the market, as well as the possibility of growing and developing within the organization as a way of retaining talent as long as possible. More details on the concrete policies in place are listed in the 'People' chapter of our Annual Report.

GOVERNANCE

Effective corporate governance and stakeholder management practices can create several benefits for a company and its stakeholders. The reverse is that weaknesses in corporate governance practices and stakeholder management processes expose a company and its stakeholders to several risks. Potential risks inter alia include the following:

- One stakeholder group may benefit unfairly at the expense of other stakeholder groups due to weaknesses in a company's control systems;
- Managers could make poor investment decisions that benefit them but are detrimental to the company's other stakeholders;
- A company's exposure to legal, regulatory and reputational risks could become heightened - for example, a company may be subject to an investigation by a regulatory authority due to a violation of laws and regulations. The company could also receive lawsuits from one of its stakeholders due to some form of impropriety;
- A company's ability to honor its debt obligations may become hindered in the absence of effective corporate governance. This exposes it to bankruptcy risk if its creditors decide to take legal action against it.

These risks could potentially damage the reputation of the company and lead to significant legal costs.

Our stakeholders

As part of an ecosystem, our stakeholder engagement remains a key process to ensure we do business in the most responsible, efficient and sustainable way. Regular exchange with our stakeholders serves as input to define our business strategy, to understand and meet mutual expectations and needs, to compare our performance with that of peers and to acquire new knowledge.

Agfa's stakeholder landscape is quite diverse due to the different markets we serve and the fact that we are a publicly listed company and, as such, is framed by specific reporting and transparency duties. Our stakeholders can be split into internal ones (our own Agfa employees and trade union representatives) and external ones (shareholders and business partners across the value chain).

The level of engagement with each stakeholder group depends on the relevance of the topic and is likely to vary over time based on other business priorities. The exchanges we regularly had in past years helped us understand the expectations of each stakeholder and served to shape our future actions. In order to achieve a meaningful outcome, stakeholder engagement at Agfa is based on a local approach whereby all divisions and sites are responsible for identifying their respective stakeholders, as well as engaging with them in suitable ways according to needs and interests. While we have built strong relationships with our stakeholders over time, we have also been progressively integrating and structuring our sustainability dialogues within the same framework.

EMPLOYEES

To ensure an appropriate level of engagement and dialogue with its almost 7,000 employees, Agfa makes use of different internal platforms, tools and processes, providing a variable level of interaction – some at local level and some at corporate level. These include quarterly Infotours (business updates on strategy and results), Intranet & newsletter publications, individual performance reviews, HR engagement survey, whistleblower channel, etc.

Moreover, in each country where it operates, Agfa enters into dialogue with employee representatives. In most countries, works councils represent employees and at the European level, a European Works Council is in place. For Health and Safety matters, local committees consisting of employee and employer representatives are also active.

Our employees often express the need to be more involved in decision making and priority setting. In 2022, we therefore called upon employees to join our Employee Resource Groups as part of our Diversity, Equality and Inclusion strategy. This resulted in the appointment of three Employee Resource Groups (ERG) Leads and 30 participating employees. The diverse representation from our Agfa divisions, geographies and functions will surely enhance and improve the scope and impact of our DEI actions.

More details on how we engaged with our employees are provided under the chapter 'Focus on our People' on pages 50-74.

CUSTOMERS, DISTRIBUTORS AND SUPPLIERS

Dialogue with customers, distributors and suppliers is primarily managed by the business divisions through direct contact with sales, service, procurement and marketing departments through regular business meetings, customer visits and training, customer surveys, annual trade shows and events or tech days, etc.

These are great platforms to discuss new products and solutions launch, commercial conditions, market trends, innovation, specific needs, co-creation projects etc.

Digital interactions (remote IT project implementations and support, customer virtual demos, webinars, virtual global conferences and exhibitions, etc.) have been increasingly used since the COVID-19 pandemic and are now fully part of our business practices as a complement to the more traditional forms of engagement stated above.

FINANCIAL MARKETS

Engagement with shareholders, analysts, investors and potential investors is organized at corporate level under the coordination of the Investor Relations & Corporate Communications department. We regularly organize investor events, shareholder and analyst meetings, roadshows and personal one-on-one meetings with Executive Management members and the Investor Relations department.

In 2022, we:
- Held our annual shareholders meeting physically on May 10, 2022, where 19 shareholders were represented;
- Held approximately 80 one-to-one investor calls to exchange on a series of financial and non-financial topics, mainly addressing key strategic questions around the Group's strategy and transformation, the business evolution, the impact of the COVID-19 crisis and the cost of inflation, pension de-risking actions and efforts regarding sustainability and ESG as a whole.

More details on how we engaged with our financial stakeholders, including agenda and minutes of shareholders meetings, are provided on Agfa's corporate website.

MARKET PEERS, ACADEMIA AND POLICY MAKERS

Collaboration with market peers, academia and policy makers is essential for Agfa to contribute to broader, industry-wide action on sustainable development and to create synergies that expand our knowledge and potential to make a positive impact. These collaborations are normally topic/product-specific and are primarily managed by the divisions through direct contact via research projects, monitoring of market developments via dedicated press/communication channels and exchange in various industry associations.

At a less formal level, members of our senior management are often called upon or volunteer to participate in public fora to discuss our business strategy and sustainable development approach. Such events provide the opportunity to interact with various groups including business leaders, academia and civil society.

By the end of 2022, Agfa (either as Agfa HealthCare, Agfa Radiology Solutions, Agfa Offset Solutions or Agfa-Gevaert) was an active supportive member of the following associations:
- AXREM – UK trade association representing suppliers of diagnostic medical imaging, radiotherapy, healthcare IT and care equipment;
- BELIR – Belgian Investor Relations Association;
- BiR&D – Association of international industrial companies having major R&D operations in Belgium;
- COCIR – European trade association representing medical imaging, radiotherapy, health ICT and electromedical industries;
- essenscia – Belgian Chemical Industry Federation;
- EPLF – Association of European Producers of Laminate Flooring;
- ESMA – European Specialist Printing Manufacturing Association;
- FEFCO – European Corrugated Packaging Association;
- Hydrogen Europe – European industries, national associations and research centers active in the hydrogen sector;
- I&P – European Imaging and Printing Association;
- MedTech Europe – European trade association for the medical technology industry.

Agfa is also part of several networks and knowledge centers, for instance:
- Blauwe Cluster – Belgian innovation cluster for the sustainable blue economy;
- CATALISTI – Cluster for the chemical and plastics industry in Flanders;
- European Clean Hydrogen Alliance – Supporting the EU's commitment to reach carbon neutrality by 2050;
- FESPA Belgium – An organization bringing together people and organizations active in screen printing, digital printing and textile printing;

- Pack4Food – Consortium of companies and research institutes working on the food packaging of the future;
- The Shift – Belgian sustainability network;
- VIGC – Flemish Innovation Center for Graphic Communication, independent knowledge center in the Benelux;
- WaterstofNet – Belgian catalyst for sustainable hydrogen.

Via the above platforms, Agfa is also able to participate in knowledge sharing events and is invited to sit at Advisory Committees or ad hoc working groups organized by partners such as the Federation of Belgian Enterprises (VBO) and the Belgian Risk Management Association (BELRIM).

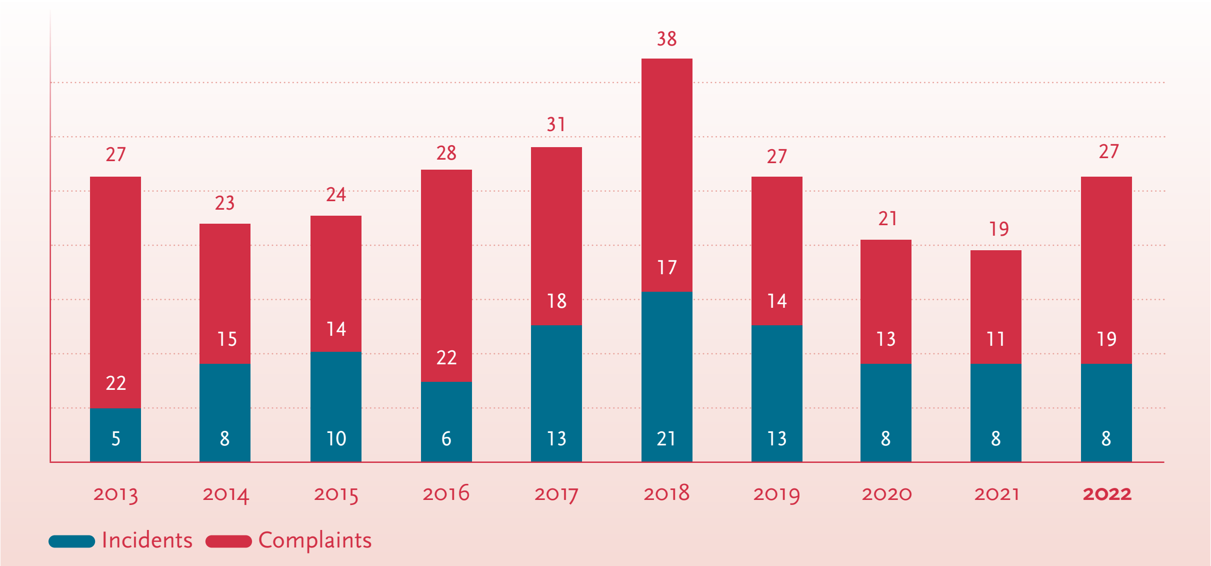
We are also involved with a series of platforms and networks via Agfa-Labs, our open innovation platform for materials and coating research. For instance, the Belgian Association of Technicians for Paint and Related Industries (ATIPI), the Royal Flemish Chemical Association (KVCV) and the Organization for Surface Characterization of Materials (VOM).

COMMUNITIES

We see ourselves as part of the communities where our operations are set and where our employees live. Therefore we always dedicate time and resources to engage with them. This is particularly the case when some of our facilities, like the ones in Mortsel, Belgium, are in urban zones. We use several ways to inform local communities about what we do, answer questions and propose and listen to suggestions and ideas to reduce the potential nuisances reported to Agfa via e-mail or the available toll-free phone number. This is done by physically meeting communities and, especially in the last years, by using virtual tools, social media, website, etc. Agfa has also appointed a representative to sit on the city's local Environment Council.

Environmental incidents and complaints

Another aspect that we monitor closely and that we consider relevant as a reflection of our overall performance, is the number of environmental incidents and complaints. Incidents are one-off events such as spills or releases, for instance due to a machine malfunction, while complaints are those raised for instance by neighbors regarding smell or noise coming from one of our plants. We strive to minimize these occurrences as much as possible through regular monitoring and corrective actions depending on the severity of the occurrence. Beneath is a summary of the evolution of such figures over time.



In 2022, we received a higher number of complaints related to noise coming from the factory in Mortsel. Measures have been implemented to address them, e.g. restricting the use of internal transport vehicles at certain times.

Agfa is also regularly active in local knowledge sharing events in school masterclasses, interacting with potential future employees at job fairs, etc. This helps to foster discussions, create an adequate funnel of talents, engage with local communities and encourage social responsibility initiatives.

In addition to transparent communication and proactive engagement to understand what concerns are to be addressed, we try to provide concrete support whenever possible via monetary or materials/equipment donations.

STEM projects – building a sustainable future educating the scientists and technicians of tomorrow

We believe that education with a long-term perspective is one of the keys to succeeding in building a better future. This is why we support several Science, Technology, Engineering and Mathematics (STEM) projects and related initiatives.

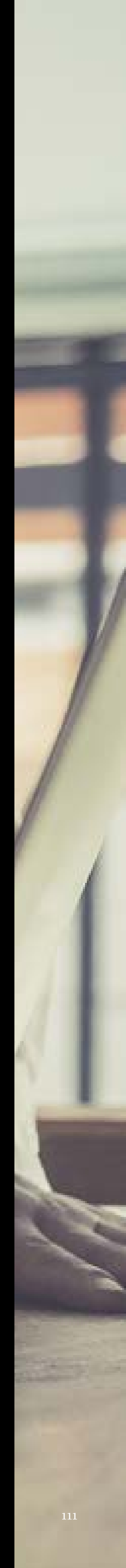
- **Science, Technology, Engineering and Mathematics (STEM) Charter, Belgium:**
  http://stemcharter.be/charter.php
  We participate as a STEM ambassador, acknowledging the importance of STEM in our current and future society and stimulating the passion and interest for STEM education and professions.

- **STEMfluencer, via essenscia Vlaanderen and Vlajo:**
  https://www.essenscia.be/prioriteiten/talent/stemfluencers/wie-is-wie/
  We are proud participants of this new project launched in 2021, where some of our employees (<35) as STEMfluencers give one or several guest lectures in the 1st and 2nd year of high school to inspire and get kids interested in technology and sciences.

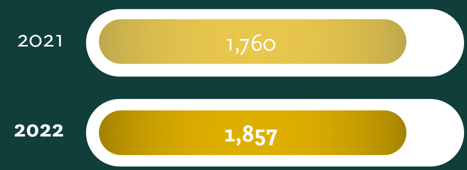
- **Dual learning, via essenscia, Belgium:**
  https://www.essenscia.be/prioriteiten/talent/duaal-leren/
  Dual learning was launched in 2017 to train students for jobs in the chemical industry by providing relevant internships. We have been offering such opportunities and guiding several students over the past years.

More details on how we engaged with our communities are provided on Agfa's corporate website and through social media.

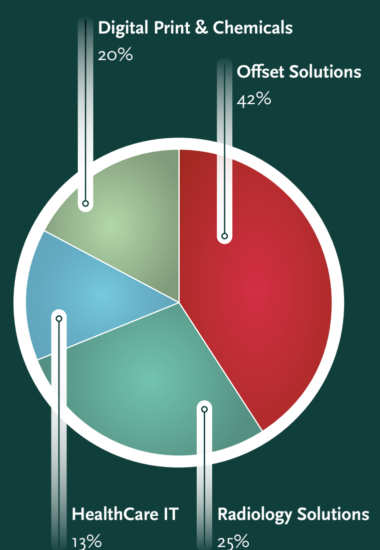
Comments on the Consolidated Financial Statements



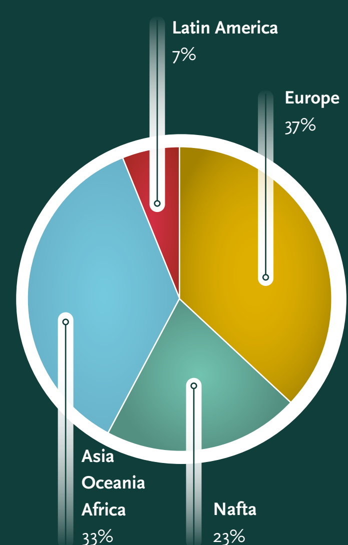
Revenue (million Euro)



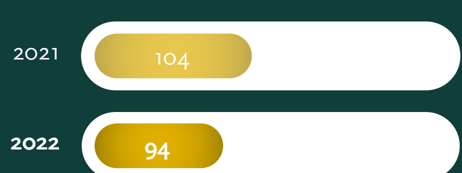
Share of Group revenue 2022
by division



Share of Group revenue 2022
by region

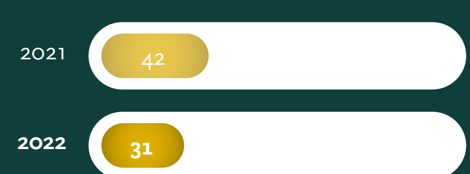


Adjusted EBITDA [1] (million Euro)



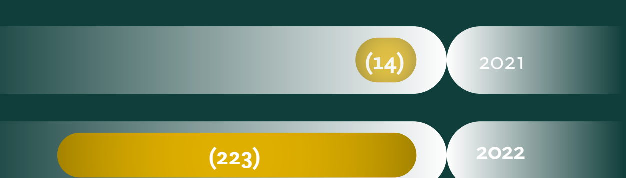
(1) Before restructuring and non-recurring items

Adjusted EBIT [1] (million Euro)



(1) Before restructuring and non-recurring items

Result for the period
(million Euro)



Revenue

Excluding currency effects, the Agfa-Gevaert Group posted 1% top line growth. The HealthCare IT and Digital Print & Chemicals divisions posted sales growth excluding currency impact. Offset Solutions' top line remained stable mainly due to price increases and Radiology Solutions' medical film business was heavily impacted by the COVID lockdowns in China.

Results

The Group's gross profit margin remained stable at 28.5% of revenue, mainly due to price increase actions to tackle the strong impact of cost inflation and supply chain issues. Adjusted EBITDA was influenced by inflationary pressure, disrupted supply chains and industrial inefficiencies in the fourth quarter.

Impacted by strong post-COVID cost inflation, our HealthCare IT division's gross profit margin decreased from 46.5% of revenue in 2021 to 45.2%. The adjusted EBITDA margin decreased from 13.8% to 11%. In 2022, the division also stepped up its investments in R&D and commercial resources to grow the business.

Our Radiology Solutions division's full year profitability was affected by volume decreases, mix effects and cost inflation. The division's gross profit margin reached 32.1% of revenue versus 33.9% in 2021.

Our Digital Print & Chemicals division's gross profit margin decreased from 26.3% of revenue in 2021 to 24.9%. This was mainly due to strong cost inflation, lower volumes for certain businesses (including industrial inkjet and products for the electronics industry) caused by COVID lockdowns in China and logistical challenges. Additional cost reduction measures were taken In the fourth quarter to adjust to the economic reality.

Although affected by cost inflation, Offset Solutions division's gross profit margin improved from 20.4% of revenue in 2021 to 22.7% due to implemented price adjustments and a focus on high-value regions. Adjusted EBITDA improved strongly to 35.7 million Euro.

In addition to heavy transformation efforts, impairments in Radiology Solutions (73 million Euro) and Offset Solutions (41 million Euro) had a strong impact on the Group's restructuring and non-recurring items, resulting in a charge of 192 million Euro versus 33 million Euro in 2021. The Group's net finance costs amounted to 19 million Euro.

Income tax expenses increased to 42 million Euro versus 15 million Euro in 2021, primarily driven by additional tax expenses related to the Offset Solutions carve-out and the impairment of deferred tax assets related to the performance of Radiology Solutions and the Offset Solutions transaction.

As a result, the Agfa-Gevaert Group posted a net loss of 223 million Euro.

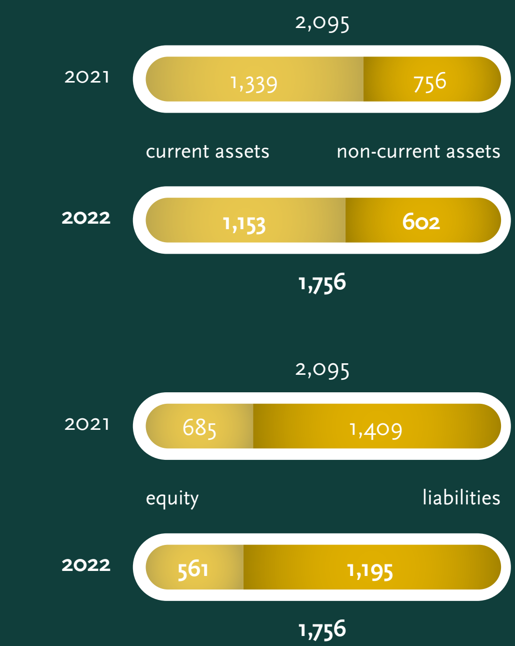
Statement of financial position

At the end of 2022, total assets were 1,756 million Euro, compared to 2,095 million Euro at the end of 2021.

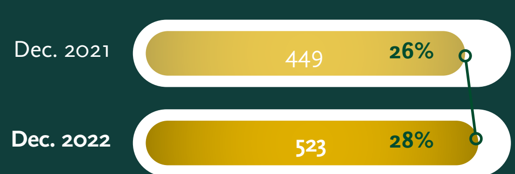
Trade working capital

Although the Group was able to reduce trade working capital from 31% of turnover in the third quarter of 2022 to 28% in the fourth quarter, this is still an increase versus the end of 2021 (26%). In absolute numbers, trade working capital evolved from 449 million Euro at the end of 2021 to 523 million Euro, including an effect of the newly acquired Inca Digital Printers at year-end (19 million Euro).

Statement of financial position (million Euro)



Trade working capital
(million Euro/% of sales)



Net financial debt (cash)
(million Euro)

Financial debt

Net financial debt (including IFRS 16) evolved from a net cash position of 325 million Euro at the end of 2021 to a net cash position of 72 million Euro, as it was partially impacted by the Inca acquisition and the Group's share buy-back program.

Pension liabilities

After a first pension buy-in transaction for the UK pension plan in 2021, an additional buy-in transaction has taken place which leads to a full de-risking of the UK pension plan, without additional cash contributions. Thanks to all pension actions and driven by the higher discount rate, a strong decrease in net pension liability (material countries) was recorded: a positive impact of 177 million Euro was recorded versus the end of 2021.

Equity

In 2022, equity amounted to 561 million Euro, against 685 million Euro at the end of 2021.

Cash flow

In the full year 2022, the Group used a free cash flow of 127 million Euro.

Outlook

Overall, the Agfa-Gevaert Group expects a recovery in profitability in the full year 2023 versus 2022.

Our HealthCare IT division's growth strategy is expected to deliver top line growth, as well as double-digit adjusted EBITDA growth in 2023.

Stability is expected for our Radiology Solutions division, with continuous margin pressure for medical film. Progress recorded in Direct Radiography in the second half of 2022 is expected to continue.

Finally, our Digital Print & Chemicals division expects to restore profitability, based on pricing, cost improvement actions and positive contributions from the Inca acquisition and Zirfon membranes. The revenue generated by Zirfon will continue to grow very strongly.

COMMENTS ON THE STATUTORY ACCOUNTS OF AGFA-GEVAERT NV

The Annual Accounts as will be presented to the General Meeting of Shareholders of May 9, 2023, were tested against the valuation rules by the Board of Directors and approved in that form.

The following points, in particular, will be submitted to the General Meeting of Shareholders for approval:
The Annual Accounts close with a loss for the accounting year 2022 of 6,045,693.85 Euro.

Based on the profit or loss account, the Board of Directors concludes that the Company has suffered a loss for two consecutive years. Article 3:6 1, 6° of the Code of Companies and Associations requires that the Board of Directors justifies the accounting principles in the assumption of going concern. As the going concern assumption of a holding company, such as Agfa-Gevaert NV, basically depends on the Group as a whole, the Board refers to the net cash position at Group level and the undrawn credit facilities available at balance sheet date.

It is proposed to allocate the result as follows: deduction of the result carried forward. As a result, the result carried forward will amount to minus 502,305,718.19 Euro.

EXPLANATION OF THE MOST SIGNIFICANT ENTRIES OF THE ANNUAL ACCOUNTS

In 2022, the Company achieved a revenue of 415.6 million Euro. This means an increase of 1.4% compared to the revenue of 2021 (409.8 million Euro). The increase was mainly caused by an increase of the sales prices (+1.6%), a decrease of the volume/mix (-3.6%) and a positive currency exchange rate difference (+3.4%).

The 2022 operating loss amounts to minus 71.1 million Euro. This represents a decrease of 30.1 million Euro compared to 2021.

The financial result improved with 101.9 million Euro compared to 2021, resulting in a loss from operating activities before taxes of minus 4.8 million Euro (-136.9 million Euro in 2021).

After income taxes (2022: -1.2 million Euro, 2021: 0.0 million Euro), the loss for the book year amounts to minus 6.0 million Euro (2021: -136.8 million Euro). This is also the result of the finacial year to be allocated. This is a decrease of the loss with 130.8 million Euro compared to 2021.

In 2022, the Company spent an amount of 11.6 million Euro on research and development in Belgium.

In 2022, the number of Agfa-Gevaert NV employees in Belgium decreased by 164 to 1,779 employees on December 31, 2022. This decrease is the result of the recruitment of 109 new employees and 273 employees leaving the Company.

HealthCare IT

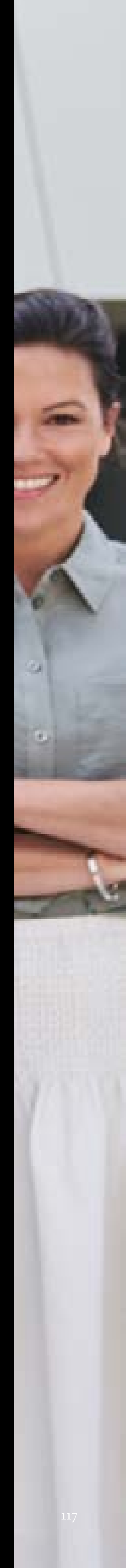
At the forefront of Medical Imaging IT Software

Agfa HealthCare has been dedicated exclusively to Enterprise Imaging since 2020. The company was first in the industry to build a platform from the ground up. Momentum in market adoption of its Enterprise Imaging Platform is evident in the company's growing business agreements, as leading health systems select the platform to create a true Imaging Health Record™ (IHR).

With its flagship Enterprise Imaging Platform, Agfa HealthCare provides secure, effective, modular and scalable imaging data management. The company strategically guides healthcare providers to transition from volume-based imaging to value-based imaging, accompanies growth, reduces complexity and redundancy, and improves care delivery and physician experiences. Implementation of the Agfa HealthCare Enterprise Imaging Platform allows the creation of an IHR, to align with and complete a health system's electronic health record strategy.

MILLION EURO	2022	2021	% change (excl. currency effects)
Revenue	244	219	11.5% (4.0%)
Adjusted EBITDA (*)	26.9	30.2	-10.8%
% of revenue	11.0%	13.8%	
Adjusted EBIT (*)	19.6	21.6	-9.3%
% of revenue	8.0%	9.9%	

(*) Before restructuring and non-recurring items



HealthCare IT
in 2022

HealthCare IT's order book remains at a very healthy level. The division recorded 18% growth in the 12 months rolling order intake versus the year before, with high value business (own software) increasing by 23%.

Due to increased momentum in the second half of the year, HealthCare IT division's top line increased in North America and Europe versus the previous year. Growth was driven by revenue recognition from a number of important contracts, as well as a stabilization of recurring revenue.

Impacted by strong post-COVID cost inflation, the division's gross profit margin decreased from 46.5% of revenue in 2021 to 45.2%. The adjusted EBITDA margin decreased from 13.8% to 11.0%. In 2022, the division also stepped up its investments in R&D and commercial resources to grow the business.

2022 was a year of consolidation, as the focus turned towards profitable growth. The success of the division's strategy to target customer segments and geographies for which its Enterprise Imaging solution is best fit and prioritize higher value revenue streams is working and delivering - exemplified by the positive development of order intake. This strategy will ultimately allow the division to reach targeted EBITDA growth: starting from a mid-single-digit percentage in 2019 to percentages in the high-teens over the coming years.

MEDICAL IMAGING IT SOFTWARE

Agfa HealthCare's Medical Imaging IT Solutions equal reliability and efficiency for care providers around the world. With innovation deeply rooted in its DNA and building on more than 100 years of experience, Agfa HealthCare became one of the first companies in the early 1990's to supply radiology departments with its Picture Archiving and Communication System (PACS) to efficiently store, manage, process and distribute digital medical images.

As health networks become become increasingly bigger and the need for higher productivity and better care delivery increases, care providers understand that it is crucial to efficiently capture, aggregate, share and mine all imaging related information. Across the globe care organizations are starting to look for a more integrated imaging strategy and the convergence of fragmented, redundant and siloed Imaging IT solutions into a more unified enterprise-wide approach with scalability and systemness.

Agfa HealthCare anticipated this demand and in 2014 pioneered when bringing its flagship Enterprise Imaging Platform to the market. The unified Enterprise Imaging Platform creates a true longitudinal Imaging Health Record for every patient, completing the customer's EHR strategy. It is intended to address not only radiology and cardiology, but also the numerous departments and service lines across the healthcare enterprise that generate various forms of imagery.

At the top of Agfa HealthCare's list of priorities is a focus on enabling 'flow' — the ability of radiologists and clinicians to cut through the noise and stay focused on the ultimate goal of their role: getting rapidly to an accurate diagnosis, and communicating it to the right people. Through Agfa HealthCare's Enterprise Imaging platform images and related data are instantly accessible throughout the hospital, the care organization, or even all care facilities included in a regional network. This way, the Enterprise Imaging platform speeds up overall diagnoses, enhances patient care, accelerates clinical collaboration across multi-specialties and multiple systems, improves physician and patient experience and satisfaction, and drives the health systems' business, clinical and operational excellence. This converged services approach helps clinicians and non-clinicians stay in their flow as long as they need to be there. From product development to implementation, Agfa HealthCare's best-of-suite Imaging IT software solutions are purpose-built to help manage complexity and to support care providers to achieve success in their clinical, operational and business strategies.

Confirmation of Industry Leadership

IDC has recognized Agfa HealthCare for its industry expertise, analytics capabilities and integration engine.

Agfa HealthCare has been recognized in the Leaders category in the IDC MarketScape Vendor Assessment for Europe as well as the United States.

IDC

Customer Satisfaction Top Performer

The KLAS Research 2022 Europe PACS report named Agfa HealthCare among the top performers in terms of customer satisfaction. In the report Agfa HealthCare is confirmed to have one of the most expansive footprints, with strong customer bases. Highlighted are the strong implementation in the United Kingdom and Ireland and high levels of satisfaction in the company's Benelux home region.[1]

In the Middle East, KLAS Research highlights Agfa HealthCare as one of the most frequently considered vendors, offering strong support leading to a loyal customer base.[2]

In its most recent Enterprise Imaging Report, KLAS Research reports Agfa customers appreciate the vendor's increased executive involvement and engagement and strong technology offerings. More specifically on its Vendor Neutral Archive (VNA) and Universal Viewer (UV) solution, the report states that across the board, responding customers see Agfa HealthCare's VNA and UV offerings as strong, stable, and easy to use. In the last year, these offerings have been expanded across additional service lines, particularly with cardiology and point-of-care ultrasound.[3]

1, 2, 3 Selected commentary collected about Agfa HealthCare
1 KLAS® Europe PACS 2022
2 KLAS® Middle East & Africa PACS 2022
3 KLAS® Enterprise Imaging 2022

Cybersecurity Transparent Leader

At RSNA 2022, Agfa HealthCare received, for the 2nd time, the prestigious recognition of Cybersecurity Transparent Leader, awarded by KLAS Research and Censinet. The designation as Cybersecurity Transparent Leader is a demonstration of Agfa HealthCare's commitment to its clients to support them in the delivery of safe and secure patient care.

COMMERCIAL SUCCESSES

In 2022, Agfa HealthCare continued to convince care organizations of the many advantages of its platform approach to enterprise imaging. Numerous leading health systems, including large luminary care organizations in the USA, selected Agfa HealthCare's Enterprise Imaging Platform that creates a true Imaging Health Record.

800+

Agfa HealthCare's Enterprise Imaging Platform is live in more than 800 healthcare sites across the world.

The company's XERO Universal Viewer supports the extended care collaboration in close to 400 care organizations.

ZUCKERBERG SAN FRANCISCO GENERAL HOSPITAL (USA)

Zuckerberg San Francisco General Hospital (ZSFG) in California, USA, has recently upgraded to version 8.2 of Agfa HealthCare's Enterprise Imaging platform. The solution is solving radiologists' challenges, helping them deliver excellent care with increased productivity, and enhancing their workplace wellbeing. Zuckerberg San Francisco General Hospital and Trauma Center is a community hospital and Level 1 trauma center that partners with the University of California San Francisco (UCSF) on clinical training and research.

"We've been with Agfa HealthCare since 2005, so it has been a long journey together. We feel confident that Agfa HealthCare supports us in our ongoing ambition to deliver 'all care for all patients and all images accessed anywhere."

RJ MERCK,
Radiology IT Supervisor of Zuckerberg
San Francisco General Hospital

NORTHWEST CLINICS (THE NETHERLANDS)

Agfa HealthCare and Northwest Clinics have extended their strategic cooperation, and further expanded the consolidated Enterprise Imaging platform with the RUBEE™ for AI Augmented Intelligence portfolio. This enhanced collaboration supports Northwest Clinics in its ongoing commitment to further optimize care delivery, and allows the healthcare provider and Agfa HealthCare to work together to curb growing healthcare cost. Northwest Clinics is a five-site top clinical healthcare organization in the northwest of the Netherlands.

"We are very satisfied with our many years of collaboration with Agfa HealthCare. This experience made it logic for us to take the decision to enter into a new agreement with them. Together, we can ensure that patient care is further optimized, which is quite simply our most important objective."

FLOOR HAAK,
Member of the Board of Directors of Northwest Clinics

SIHTASUTUS EESTI TERVISHOIU PILDIPANK (ESTONIA)

Estonia's Pildipank and Agfa HealthCare are strengthening and extending their relationship by moving the national shared Picture Archiving Communication System (PACS) to the Enterprise Imaging platform. New functionalities will deliver key benefits, including advanced viewing capabilities, enhanced collaboration between healthcare providers, reduced IT complexity and maintenance, and better-informed decision-making. Pildipank enables all healthcare institutions in Estonia to share a single environment for exchanging, archiving and accessing medical images.

"From the beginning, Agfa HealthCare was able to support a system architecture and design that met our KPIs and leveraged our other investments. But equally as important as the technology, is Agfa HealthCare's strong commitment to service and partnership."

ANDRUS PAATS,
Board member of Pildipank

KING ABDULLAH MEDICAL CITY (KINGDOM OF SAUDI ARABIA)

Long-term Agfa HealthCare customer King Abdullah Medical City (KAMC) in Makkah upgraded its former Agfa HealthCare image management system to Enterprise Imaging. This converged platform has enabled the hospital to enhance patient care, with a broad range of tools that speed up reporting, increase radiology productivity, and improve the work/life balance of the radiologists. KAMC is a specialist healthcare facility committed to providing the highest standards of quality and excellence in patient care.

"Enterprise Imaging supports a better work/life balance for the radiologists, even as they continue providing the highest level of patient care, quality of service and reporting. In addition, the remote access enables faster response for critical cases during nights or weekends."

DR. ELHAM RAWAH,
Head of Radiology at KAMC

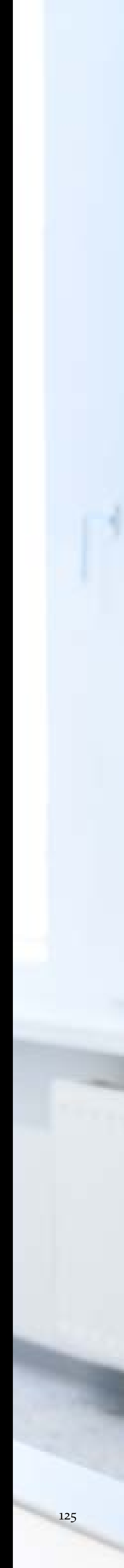

AGFA

Radiology Solutions

Agfa's Radiology Solutions division is using new technologies and traditional know-how to create medical imaging solutions that open up new views to caregivers and meet the ever evolving needs of healthcare providers. By supporting them in every step of the patient's journey, Agfa helps its customers to improve the quality and efficiency of their patient care.

MILLION EURO	2022	2021	% change (excl. currency effects)
Revenue	462	464	-0.4% (-5.4%)
Adjusted EBITDA (*)	46.9	60.7	-22.9%
% of revenue	10.1%	13.1%	
Adjusted EBIT (*)	22.3	37.7	-40.9%
% of revenue	4.8%	8.1%	

(*) Before restructuring and non-recurring items



Radiology Solutions *in 2022*

The medical film business was impacted by COVID lockdowns occurring in China mainly. The current geopolitical situation and slower than normal volumes in some export markets also had an impact. The market driven top line decline for the Computed Radiography business was further amplified by the current geopolitical situation and component shortages. Agfa continues to manage the CR business to maintain healthy profit margins.

Following a number of slower quarters, the Direct Radiography business' revenue started to pick up in the second half of the year. Strong sales growth was recorded in ASPAC and LATAM. In a number of countries in those regions, first-of-a-kind installations were achieved with several systems, including high-end modalities and the recently introduced VALORY X-ray room. Recently, the DR market saw the entry of several new competitors with low-cost solutions. The order book for DR remains strong, with continuously longer conversion lead times affected by the supply chain environments.

The division's full year profitability was affected by volume decreases, mix effects and cost inflation. Agfa is taking actions (right-sizing of the organization, relocations, costs control actions, price increases, net working capital actions) to increase the business' agility and to better adapt it to current market conditions.

THE EXPERT IN MEDICAL IMAGING

Agfa is a global provider of traditional X-ray film, hardcopy film and printers, digital radiography equipment and image processing software. Its roots are in traditional medical imaging, but in today's healthcare market, digital radiography has become the dominant technology.

Due to the competition of softcopy diagnosis, the market for hardcopy film – on which digital images are printed – is declining in the US and Western Europe. In the emerging countries, this market segment is flat. Besides hardcopy film, Agfa also supplies hardcopy printers that enable clinicians to print digital images made by general radiography equipment, as well as images made by other modalities, including CT and MRI scanners.

500,000

Agfa has installed over 9,000 Direct Radiography systems all over the world. Together, they account for over 500,000 imaging exams per day.

60% / 30%

Healthcare organizations report that Agfa's DR solutions and MUSICA® software allow them to reduce X-ray doses by up to 60%[1] and to increase their productivity by up to 30%.

In digital radiography, Agfa is active with both Computed Radiography (CR) and Direct Radiography (DR) systems. Compatible with traditional radiography equipment, CR offers image intensive departments an affordable entry to digital imaging. DR is often the technology of choice for hospital departments demanding a higher throughput and immediate availability of high-quality digital images. Furthermore, mobile DR equipment allows for bed-side imaging, e.g. in emergency rooms or ICU's. Many hospitals combine CR and DR technologies to cover all their X-ray imaging needs. As a technology leader in both areas, Agfa is in a unique position to offer tailor-made solutions to healthcare facilities planning to invest in digital imaging.

All Agfa's CR and DR systems are offered with its leading MUSICA® image processing software and its MUSICA® workstation for image identification, acquisition and quality control. Agfa's SmartXR software solution brings intelligence to digital radiography equipment at the point of care, even before the image is made. It assists the radiology lab technician by simplifying and automating a number of tasks. In this way, lab technicians can work faster, with more attention to the patient.

1 Testing with board-certified radiologists has determined that Cesium Bromide (CR) and Cesium Iodide (DR) Detectors, when used with MUSICA image processing, can provide dose reductions between 50 to 60%, compared to traditional Barium Fluoro Bromide CR systems. Contact Agfa for more details.

VALORY ™: Excellence. Pure and Simple.

End 2021, Agfa launched its new VALORY ™ digital radiography room at the RSNA event. VALORY ™ delivers a simple design with functionality that goes far beyond the 'basics', bringing reliability, productivity and 'first-time-right' imaging into reach for any hospital. VALORY ™ offers an ideal solution as a backup for large hospitals, or as the main X-ray system for smaller healthcare facilities, where equipment reliability is not an option but a must. With VALORY ™, Agfa proves that 'simple' is not a synonym for 'basic'.

COMMERCIAL SUCCESSES

2022 has been a challenging year for companies that are active in the healthcare industry. In China, for instance, lockdowns prevented people from visiting hospitals for non-COVID medical exams and treatment. In other regions, the post-COVID market context continued to be volatile as healthcare providers continued to face operational challenges affecting short term spend decisions, while having to review investment priorities for the short and medium term. This mainly impacted Agfa's DR business. However, even in these difficult circumstances, numerous hospitals and hospital groups decided to invest in Agfa's radiology solutions. At the end of the year, Agfa had a global installed base of over 100,000 DRYSTAR hardcopy printers and over 89,000 digital radiography solutions (CR and DR), all with its leading MUSICA® Nerve Center and image processing software.

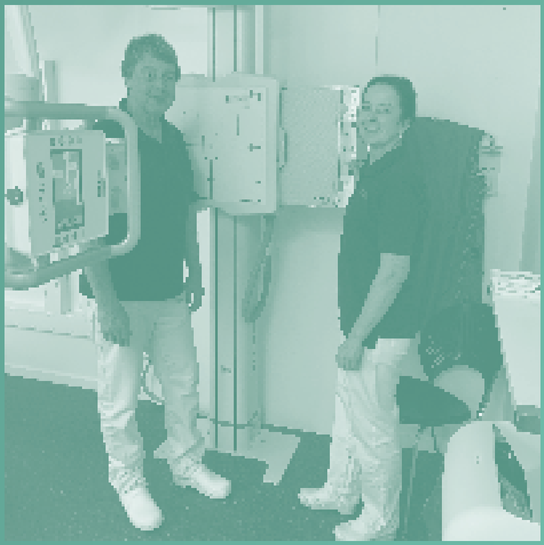

AGFA

ALERIS-HAMLET HOSPITAL SERVICES GROUP (DENMARK)

Aleris-Hamlet is the largest supplier of private healthcare in Denmark, with seven hospitals throughout the country. Recently, the group decided to install a VALORY DR room at the Aleris-Hamlet Aalborg hospital, and a DR 400 room at the Aleris-Hamlet Aarhus hospital. Aleris-Hamlet thus became the first organization to implement VALORY ™ in Europe.

"Agfa's digital imaging solutions offer excellent image quality for a broad range of applications, which will enable us to increase the satisfaction of patients and referrers, and to strengthen our offer for corporate partners."

VIVIAN BRIX,
Hospital Manager, Aleris-Hamlet Aalborg



SPIRE HEALTHCARE (UK)

Spire Healthcare, one of the UK's largest providers of private healthcare, chose Agfa's DR solutions, powered by MUSICA® software, for a significant number of its 40 hospitals. The long-term contract is expected to include over 60 DR systems, covering mobile and fixed DR, that offer high image quality, low dose and an intuitive workflow.

"We have been using Agfa DR at two of our sites, and were very pleased with the results; they deliver the high image quality, low dose and intuitive workflow we need to provide outstanding personalized care to our patients."

BEN FOXLEY,
Head of Procurement of Spire Healthcare

SUSHRUSHAH HOSPITALS (INDIA)

Sushrushah Hospitals in Nagercoil, Tamil Nadu, India, is adding the power of Augmented Intelligence to its orthopedic patient care, with Agfa's top-performance, ceiling-suspended DR 600 room and SmartXR® intelligent digital radiography tools. SmartXR® is a solution designed to help radiographers capture quality images, while reducing their workload in the process and preventing common mistakes that lead to retakes.

"As a long-standing Agfa customer, we know we can rely on Agfa's service and support, as well as on the quality of their solutions. The DR 600 delivers clinical and workflow benefits for our busy practice."

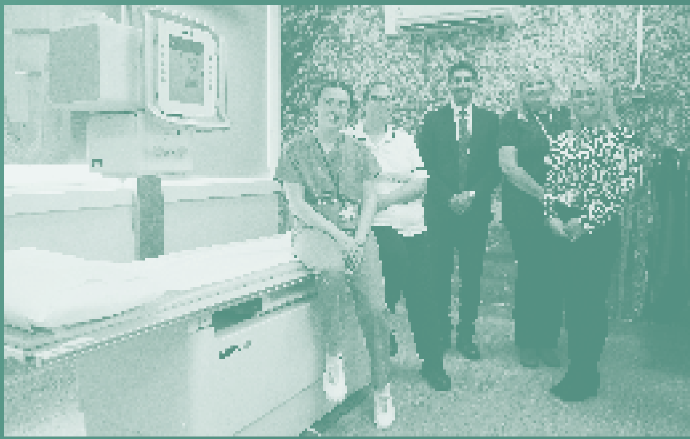
DR. MOHANDHAS,
Orthopedic surgeon and owner of Sushrushah Hospitals

HULL ROYAL INFIRMARY (UK)

Hull Royal Infirmary, which is operated by the Hull University Teaching Hospitals NHS Trust, recently installed three fully automated DR 600 X-ray rooms. The three DR 600 rooms, each of them with EasyStitch™ technology for full leg/full spine imaging, were chosen for their image quality and workflow benefits. The systems are now helping the hospital manage patient flows and enhance the patient experience, backed by reliable Agfa support.

"With the DR 600 rooms, patient flow is much faster – the patients themselves are amazed with how quickly it goes. Furthermore, the rooms deliver on the superior image quality our clinicians need."

ANN MCFADYEN,
Specialty Manager General and Fluoroscopy Radiology for the Trust



Digital Print & Chemicals

Agfa's Digital Print & Chemicals division is a leading supplier of digital printing solutions for sign & display and industrial markets as well as of innovative products for customers active in the energy sector and various niche industries. The division develops, manufactures and markets state-of-the-art inkjet printing equipment and software and a wide range of highly specialized inks for specific applications. Furthermore, it supplies customers in a variety of industrial markets with a broad range of films, coated products, chemicals and innovative membranes for the production of green hydrogen.

MILLION EURO	2022	2021	% change (excl. currency effects)
Revenue	372	330	12.9%(10.4%)
Adjusted EBITDA (*)	3.2	19.2	-83.1%
% of revenue	0.9%	5.8%	
Adjusted EBIT (*)	(9.5)	7.4	
% of revenue	-2.6%	2.3%	

(*) Before restructuring and non-recurring items

Digital Print & Chemicals *in 2022*

In the field of digital print, the top line of the sign & display business grew strongly. The ink product ranges for sign & display applications performed well throughout the year. In spite of industry-wide logistical challenges for our high-end equipment, the wide-format printing equipment business posted solid revenue growth. In the field of industrial inkjet, the décor printing business was impacted by the weakening economic environment, as customers are postponing investments in their digitization process. Volumes for OEM inks decreased due to the lockdowns in China, the unstable geopolitical situation and the weak economic environment.

Sales figures for the Zirfon membranes for advanced alkaline electrolysis are growing according to plan and production was ramped up to a steady regime. In 2022, the number of active customers for Zirfon has increased to over 100. On March 7, 2023, the Board of Directors validated an investment for a new industrial unit for the production of Zirfon membranes at Agfa's Mortsel site in Belgium. This will allow the Group to prepare for the expected further increase in customer demand.

The weakness in the electronics industry and lockdowns in China impacted volumes of the Orgacon conductive materials and products for the production of printed circuit boards. Agfa's specialty film and foil products business remained stable versus 2021.

The division's gross profit margin decreased from 26.3% of revenue in 2021 to 24.9%. This was mainly due to strong cost inflation, lower volumes for certain businesses (including industrial inkjet and products for the electronics industry) caused by COVID lockdowns in China and logistical challenges. In the fourth quarter, additional cost reduction measures have been taken to adjust to the economic reality.

As price actions did not suffice to tackle cost inflation in 2022, Agfa implemented double-digit price increases across its Digital Print & Chemicals portfolio worldwide, effective January 1, 2023.

DIGITAL PRINTING SOLUTIONS: STATE-OF-THE-ART EQUIPMENT, INK, SOFTWARE AND SERVICE

Agfa aims to drive the adoption of inkjet printing across various industries. It empowers graphic printing and goods-producing industries to become more versatile and efficient through the innovative use of inkjet printing technology by analyzing their experiences, needs and challenges, and by actively partnering with them, as well as with industry experts.

Agfa's inkjet printing portfolio consists of in-house designed and developed state-of-the-art inkjet printers, inks, and software – either in the shape of complete and perfectly matched printing solutions, or as customized components that are integrated within a larger industrial production process.

Sign & display print service providers, as well as goods-producing industries in need of digital printing, use Agfa's solutions to print on a wide variety of substrates for an ever-growing range of applications, such as signs, displays, billboards, promotional materials, packaging, leather goods, laminated flooring and decorative materials.

For many applications, inkjet has become the most important alternative to screen printing, gravure printing and flexo printing technologies, offering unique possibilities of personalization, as well as shorter runs and just-in-time printing – thus expanding companies' offering while reducing lead times, waste and working capital.

905 m^2/h

The Jeti Tauro H3300 UHS LED is Agfa's fastest multi-pass inkjet press. Nicknamed 'the Beast', it prints media up to 3.3 m wide in four or six colors at a speed up to 905 m^2/h.

1,450 m^2/h

Agfa's Onset X3 HS achieves a dazzling printing speed of up to 1,450 m^2/h. This page-wide inkjet press runs on Agfa's proprietary Onset 560 ink set and comes with different automation options, such as robots, for a fast job turnaround.

Agfa develops and produces its inkjet inks in-house, ensuring that they are perfectly tuned to both the printers they are used in and to specific materials and printing applications. Many of these inks are GREENGUARD Gold certified, which means they meet some of the world's most stringent chemical emission standards and can be used in sensitive indoor environments such as schools and healthcare facilities.

Efficiency and automation are keywords in today's printing companies. Agfa's high-end printers come with advanced automation options for loading and unloading printing substrates – even including robots. Also adding to a more automated production process is Agfa's workflow software, which streamlines digital printing workflows by limiting manual interventions (and thus errors), printer idle time and media waste. An intuitive production overview dashboard allows for efficient planning and follow-up of jobs.

Last but not least, Agfa attaches great importance to providing great service for its printing customers. The company has an expert team of highly skilled engineers across the globe, in addition to online monitoring tools, allowing for fast remote interventions. Advanced training programs and feedback sessions make sure that printing companies are confident in using Agfa solutions and always remain up to date.

Agfa acquires Inca Digital Printers

In 2022, Agfa acquired Inca Digital Printers. Inca is a Cambridge UK based leading developer and manufacturer of advanced high speed printing and production technologies for sign and display applications, as well as for the rapidly growing digital printing market for packaging. The acquisition strengthens Agfa's position in high speed digital printing and brings an additional focus on packaging printing markets.

Inca is an ideal partner for Agfa, bringing a complementary portfolio of printing solutions of the highest standard and a strong technological platform to launch robust single pass printing presses for the packaging market. The acquisition encompasses the portfolio of existing high speed multi pass printers, including a strong service organization, a newly-designed line of single pass printers for several packaging applications which is an essential ingredient in Agfa's growth market focused business strategy, as well as a joint development of a customized in-line Print Engine in collaboration with leading corrugator manufacturer BHS Corrugated.

Vincent Wille, President of Agfa's Digital Print & Chemicals division: "The combination of Inca Digital's manufacturing knowhow and Agfa's inks, technical expertise, worldwide presence and excellent service networks makes this a great opportunity to grow in the fast-moving packaging business. We now can take our position with high-end and high-speed systems in both the sign & display and the developing carton and corrugated markets."

COMMERCIAL SUCCESSES

In 2022, Agfa's sign & display business grew strongly in spite of industry-wide challenges, such as component shortages. The Anapurna, Jeti, Avinci and Oberon wide-format print engines continued to convince sign & display printers all over the world of their excellent print quality and high production speeds. The dedicated Asanti workflow software – which streamlines operations and guarantees color consistency – is often named by customers as an important advantage over alternative options. In the third quarter, the company sold the first Agfa-branded Onset machines, developed by the recently acquired Inca Digital Printers. In the field of industrial printing, Agfa received several orders for its new InterioJet 2250i system for printing on décor paper used for interior decoration, such as laminate floors and furniture. Towards the end of the year, this business began to feel the impact of the weakening economic environment, as customers started postponing investments in their digitization process.

Award-winning equipment

Agfa's inkjet printing solutions conquered no less than five Pinnacle Product Awards from PRINTING United Alliance. The Pinnacle Product Awards recognize products that improve or advance the printing industry with exceptional contributions in quality, capability and productivity. The awards confirm Agfa's technological leadership in the field of large-format digital inkjet printing. PRINTING United Alliance is the most comprehensive member-based printing and graphic arts association in the United States. The award-winning machines were:

- Avinci CX3200 textile printer – category RTR dye-sublimation on textile (more than $100k)
- Jeti Tauro H3300 UHS LED – category UV hybrid/flatbed high-volume production
- Jeti Tauro H3300 UHS LED with MRTR & backlit camera – category automation equipment
- Jeti Tauro H3300 HS LED varnish – category UV/latex hybrid (more than $500k)
- Jeti Tauro H2500 LED with light black ink – category UV/latex hybrid ($100k – $500k)

In January 2022, the European Digital Press Association rewarded three Agfa inkjet printing innovations introduced in 2021: the Jeti Tauro H3300 UHS LED hybrid large-format printing press, the InterioJet water-based décor paper printing press for laminate surfaces, and the Alussa leather printing system.

ECCO LEATHER (THE NETHERLANDS)

ECCO Leather calls itself the world's first design-led tannery. Their recent investment in Agfa's Alussa leather printing technology will enable them to create fully personalized products in any volume, at any time. When ECCO started researching providers of digital leather printing technologies, they were convinced by Alussa's high-quality prints with outstanding durability and rub resistance.

"Alussa's personalization options will enable us to expand our product offering and attract additional customers. We feel that Agfa strives for constant improvement and diversification, in the same way that we do."

RICARDO CID MIRANDA,
Director of the ECCO Leather Factory

FORMAT GRAPHICS (UK)

Format Graphics specialize in large-format printing, mainly in the form of signage and point of sale, for exhibitions and events. They complete many bespoke projects for office refits and museums, but their core customer base is made up of exhibition companies and design agencies. To satisfy their growing soft signage requirements, they purchased an Avinci CX3200 dye-sub textile that complements their hybrid print engines printer and can print both directly to textile and to transfer paper at a speed of up to 270 m² per hour.

"It now takes us less than a day to print the same volume it used to take us a week to produce. The speed, quality and colors are excellent. We kept the old machine as a backup, but we've had no need to use it in the past five months."

BAZ OGLE,
Owner/Managing Director of Format Graphics

THE BERNARD GROUP (USA)

The Bernard Group (TBG) took print manufacturing to the next level by purchasing four Jeti Tauro H3300 UHS LED systems from Agfa. TBG is a 100% employee-owned visual merchandising company that designs and produces experiential environments for the world's most prestigious retail brands. With the addition of the four Agfa machines, TBG continues to wow its clients with speed to market, the highest quality product, and services that the retail industry requires. TBG anticipates a swift return on its investment within the first two years of operating the Jeti Tauro H3300 UHS LEDs.

"We pride ourselves on staying on the cutting edge of technology and go to excruciating lengths to make sure we get it right. We spent several weeks traveling multiple continents researching vendors, technological updates, new functions, and faster run times to secure the right partner."

KRISTOPHER PARKS,
Director of Print Production at TBG

CREAPACK (BELGIUM)

Creapack is one of the references on the Belgian and European market for POS material, displays and luxury packaging. The company recently installed a Jeti Tauro H3300 LED large format printer with automatic loading and unloading to replace two existing printers. Decisive for Creapack was the high degree of automation and the good reputation of the Jeti Tauro in the market.

"The Jeti Tauro delivers a nice print quality that is comparable to offset, so that combination orders, in which part is produced in offset and part digitally, do not form any obstacle. And then there is the speed: with one Jeti Tauro, we produce three times as much as before with two machines – almost unattended."

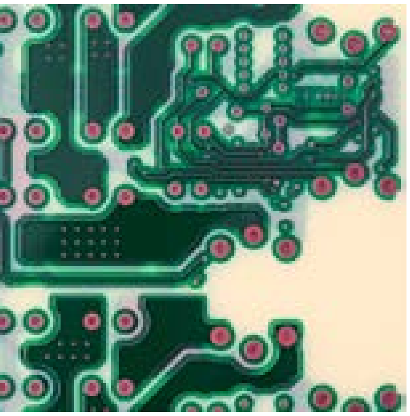
KRIS DEBOSSCHERE,
COO Creapack

CHEMICALS: INNOVATIVE SOLUTIONS FOR INDUSTRIAL APPLICATIONS

Agfa develops and manufactures specialty chemicals for promising growth markets, such as membranes for green hydrogen production and conductive polymers for electric cars. Next to specialty foils & films for applications such as printed circuit boards, the division also markets chemicals, synthetic paper and classic film types for several industrial uses, such as non-destructive testing and aerial photography. Through AgfaLabs, the company shares its research knowledge and infrastructure commercially with third parties.

Materials for Printed Electronics: Agfa is a recognized expert in the field of conductive polymers for use in antistatic protection layers for films and components as well as transparent electrodes. Based on these products, Agfa has further developed its conductive Orgacon product line of printing inks, pastes and formulations used in electronic devices and in – among other applications – capacitive sensors, touch screens and membrane switches. A promising growth market for Orgacon is the hybrid vehicle industry. Growth in this part of the Orgacon business was partially hampered in 2022 due to supply chain issues in the car industry. Furthermore, Orgacon sales were influenced by the lower demand for certain electronic devices in the second half of the year, especially display screens.

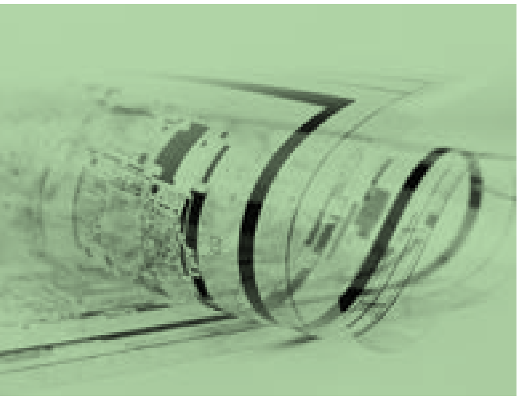
Agfa's portfolio also includes highly innovative silver inks for the production of rigid and flexible printed electronic circuitry. Typical applications are printed RFID antennas, touch sensors and metallization grids for photovoltaics.



Materials for Printed Circuit Boards: Agfa is the world's most important manufacturer of phototooling film for the production of printed circuit boards (PCB) for the electronics industry. Manufacturers of electronics use the film to transfer the circuitry layout onto a copper laminate. As inkjet is identified as the technology for making PCB noticeably more efficient and environmentally friendly, Agfa is focusing its R&D efforts on the development of inkjet inks for the production of PCB's. These inks are marketed under the DiPaMat brand and include etch resist, legend and solder mask inks.

Agfa's photooling films and inks also find their application, in chemical milling for the manufacturing of small mechanical parts and in metal decoration.

In 2022, Agfa's range of products for the production of PCB's was impacted by cost inflation and by the COVID-related lockdowns in China.



#1

With its Idealine range, Agfa is the number 1 phototooling film supplier worldwide. That makes it very likely that Agfa contributed to the production of your television set, PC, washing machine or any other object that operates with the use of PCB's.

Materials for green hydrogen production: With its best-in-class Zirfon membranes, Agfa is in a good position to benefit from the rise of the green hydrogen economy. Agfa's membranes are an essential part of electrolysis technologies for green hydrogen production. Zirfon is a high yield separator for use in advanced alkaline water electrolysis systems (separating water into oxygen and hydrogen) with exceptional durability even in the dynamic power supply environment of renewable energies. It is rapidly becoming the preferred choice of major research institutes and system developers as the replacement material for the traditional structures that include felt or asbestos. A study by the Fraunhofer Institute using Agfa's Zirfon separator membranes confirms that the alkaline electrolysis technology is the most cost efficient hydrogen production system to date.

Agfa is a member of the European Clean Hydrogen Alliance, which brings together all stakeholders in the hydrogen value chain. With its investment and projects program, the alliance will support the deployment of green hydrogen production, application demand and distribution.

Purchase contract with industry leader thyssenkrupp nucera

In 2022, thyssenkrupp nucera signed a purchase contract with Agfa for the supply of a significant volume of Agfa's Zirfon separator membranes to be used in large-scale hydrogen projects. thyssenkrupp nucera's alkaline water electrolysis is one of the world's leading technologies for the large scale generation of green hydrogen and the company recently secured several projects in this field.

Prestigious award

In October, Agfa received the prestigious essenscia Innovation Award 2022 for its Zirfon UTP 220 membrane technology. Essenscia is the Belgian sector federation of the chemical industry and life sciences.

Synthetic Paper: Agfa develops and markets a range of synthetic paper types as alternatives to laminated paper for applications with high demands on durability. Branded Synaps, the papers are valued for their print efficiency thanks to exceptionally quick ink acceptance and their water repellence and resistance to tearing and UV light. Synaps papers can be printed with standard inks on offset presses as well HP Indigo and dry toner printers. They are suitable for a wide variety of applications, including labels, indoor and outdoor displays, signage and promotion printing. Although the business continued to grow its top line, the Synaps range started to see the impact of weak economic conditions in the second half of 2022.

Kinder to our Planet

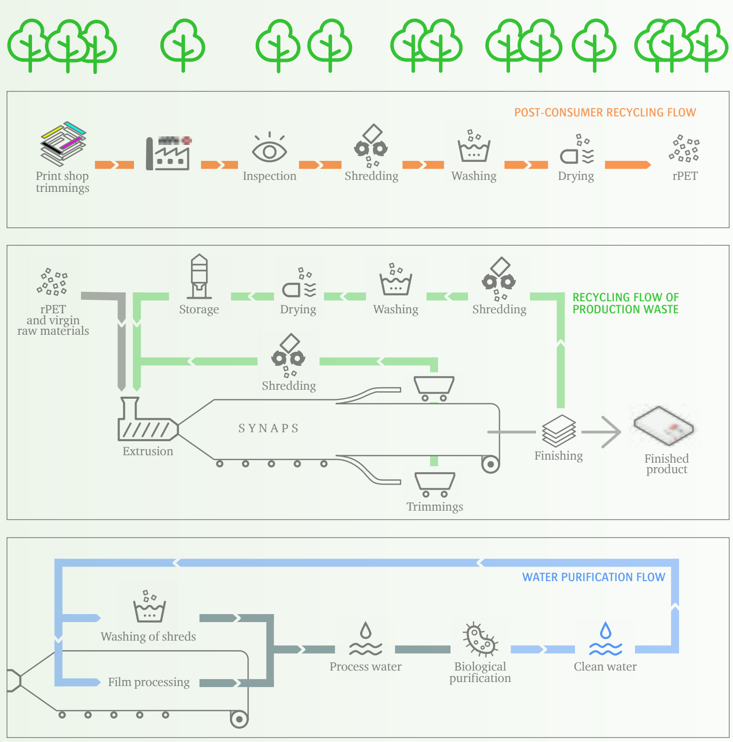
Agfa products are designed and manufactured so that production, storage, transport, use and end-of-life waste management have minimal impact on the environment. In 2022 we announced a new element that contributes to minimizing environmental impact: after several years of ramp up, our SYNAPS synthetic paper now contains more than 15 percent of recycled PET, including post-consumer SYNAPS. The process of SYNAPS waste collection, inspection and recycling has been entirely developed and implemented by Agfa as a genuine contribution to the circular economy. SYNAPS is also 100% free from heavy metals, PVC, asbestos and ozone depleting chemicals and is REACH and ROH (Restrictions of Hazardous Substances) compliant.

100% Synthetic ingredients - not one single tree chopped

>15% Recycling of post-consumer SYNAPS trimmings to rPET

100% Recycling of SYNAPS production waste

100% Purification of process water for the production and recycling of SYNAPS



Security Documents: The ever increasing attention for security and identification incites authorities to invest in high-tech ID documents of which the authenticity can be checked quickly and effectively. Agfa responds to this need for fraud-proof ID documents with film and chemistry solutions for ABSOLUT-ID, an innovative solution for card manufacturing.

Non-Destructive Testing (NDT): Agfa produces high-quality X-ray film for non-destructive testing of – among others – welds in pipelines, steel structures and fuselages. When Agfa divested its NDT business group to the General Electric Company (GE) in 2003, both parties signed a long-term agreement under which Agfa continues to supply X-ray film to GE Inspection Technologies (now Baker Hughes/Waygate Technologies). Agfa now acts as the exclusive manufacturer of Baker Hughes/Waygate Technologies' NDT X-ray films and related chemicals.

Aerial Photography: For the aerial photography industry, Agfa supplies films, chemicals and photo paper.

AgfaLabs: Through AgfaLabs, third parties have access to the knowhow of Agfa's researchers and the facilities of Agfa's Materials Technology Center. AgfaLabs offers both analytical and development services in the field of materials and coatings. The AgfaLabs website (agfa.com/agfa-labs/cases) contains case studies that show how Agfa assists companies in tackling challenges in various application fields.

Offset Solutions

Agfa's Offset Solutions division aims to be the number one supplier of integrated prepress solutions for commercial, newspaper and packaging printing, as well as a leading supplier of security printing software solutions. Its mission is to enable graphic businesses to achieve profitable growth and stay ahead of their competition. The division delivers integrated solutions, which excel by being innovative and reliable, as well as sustainable. By doing so, it enables its customers to cost-effectively adjust to new market demands. Agfa's range of consumables, hardware, software and services combines in-house and leading manufacturers' technologies and know-how.

MILLION EURO	2022	2021	% change (excl. currency effects)
Revenue	779	748	4.2% (-0.1%)
Adjusted EBITDA (*)	35.7	12.4	188.7%
% of revenue	4.6%	1.7%	
Adjusted EBIT (*)	17.9	(6.0)	
% of revenue	2.3%	-0.8%	

(*) Before restructuring and non-recurring items

Offset Solutions
in 2022

The division continued to focus on high-value regions, concentrating on margins rather than volumes. In spite of lower volumes, the successful implementation of price increases to tackle overall cost inflation for raw materials, packaging and freight amongst others, led to top line growth.

Although affected by cost inflation, the gross profit margin improved from 20.4% of revenue in 2021 to 22.7% due to the implemented price adjustments and a focus on high-value regions. Adjusted EBITDA strongly improved to 35.7 million Euro.

In August 2022, the Agfa-Gevaert Group signed a share purchase agreement with Aurelius Group for the sale of its Offset Solutions division, expected to be completed in April 2023.

A TRUSTED PARTNER FOR PROFESSIONAL PRINTERS

Agfa's Offset Solutions division is a leading supplier of integrated prepress solutions and security printing software. All over the world, professional printers and publishers rely on the division's experience and first-rate technology.

Prepress

The term prepress is used for the chain of processes that precede the actual printing process. Prepress activities begin after the print layout decisions have been made and end where the printing process itself begins.

Printers rely on Agfa's equipment, consumables (such as printing plates and graphic film), software and services for almost every stage in the preparatory process. The software tools are key elements in the overall solution offered to printers. They automate the prepress processes, guarantee better quality and improve cost efficiency.

Although Agfa's prepress solutions mainly target the info printing segment of the graphics industry, the Offset Solutions division also supplies prepress technology to customers specializing in printing for packaging purposes.

Agfa is a worldwide market leader in digital printing plates as well as in the field of eco-friendly chemistry-free printing plates. In addition, Agfa is one of the few remaining suppliers of graphic film.

30% - 50% - 90%

With Agfa's ECO³ program, printers can save up to 30% on ink, 50% on waste, and up to 90% on water. When developing and creating solutions – which include hardware, software and consumables – Agfa focuses on ecology, economy and extra convenience (ECO³). By doing so, it makes the prepress and printing processes cleaner and more cost efficient.

1/2

Globally, one in two newspaper printing companies are using Agfa's technology.

Security printing

Agfa offers valuable software solutions to the different markets suffering from counterfeiting. Its dedicated security packages help designers of passports, tax stamps, lottery tickets, packaging and labels, concert tickets, stamps, certificates etc. to stay a few steps ahead of counterfeiters and forgers.

70%

of all banknote printers in the world are using security printing software solutions developed by Agfa.

COMMERCIAL SUCCESSES

In a challenging offset printing industry, Agfa continues to support its customers with state-of-the-art solutions and services.

Both in the commercial and the newspaper segment of the printing market, Agfa confirmed its strong position in the field of eco-friendly prepress technology in 2022. With these chemistry-free computer-to-plate (CtP) solutions, printers can minimize their environmental footprint, reduce their operational costs and boost their efficiency.

In addition to platesetters and other equipment and printing plates, CtP solutions often include state-of-the art workflow software. At the end of the year, more than 9,500 Apogee software systems were installed at commercial print houses around the world. Agfa is also the world's leading supplier of prepress workflow software for the automation of the production of printed newspapers. Publishers can operate these Arkitex workflow systems in their local prepress departments, but Agfa also offers the software as a cloud solution.

NEW OWNERSHIP

In August, the Agfa-Gevaert Group signed a share purchase agreement with AURELIUS Group for the sale of its Offset Solutions division. The proposed transaction is subject to customary employees' information and consultation processes, regulatory approvals and closing conditions, expected to be completed in April 2023.

The majority of the Offset Solutions management team and employees will remain in place under the new ownership. They will continue to supply their customers with state-of-the-art solutions and products.


NUARY

FDA EUROSTAMPA SRL (ITALY)

Longstanding Agfa customer FDA Eurostampa specializes in web offset printing of newspapers, magazines, periodicals etc. Agfa thermal platesetters and software workflow have played a central role in the company's inventory for many years. To improve print quality and lower ink consumption, the company has recently implemented Agfa's new SolidTune software in addition to SPIR@L screening. SolidTune and SPIR@L are part of Agfa's revolutionary ECO³ program for sustainable innovation.

"We started to use SolidTune in our print production together with SPIR@L screening to better manage the inking and drying processes. The products have led to a reduction in the thickness of the ink layer, so drying is faster, and the result is much cleaner. This has been achieved without making any changes in prepress or printing."

FILIPPO ZAMBONI,
Owner of FDA Eurostampa

COLOURS FACTORY (POLAND)

Colours Factory is one of the largest printing companies in Poland. The company recently invested in an Avalon N24-90XT VLF platesetter to image Energy Elite Pro plates. The installation also includes a robotic plate loader, because automation is important to the company. With the new computer-to-plate system, Colours Factory's operators no longer need to manually load cassettes. The plate loader lets them load pallets holding up to 600 plates directly into the machine.

"The past two years we've focussed on optimizing prepress and logistics processes. With the new system, our operators no longer need to manually lift and load 14 tons of VLF plates per month. The automation has improved the ergonomics and economics of the entire prepress production process."

MICHAŁ GRAŚ,
Head of the prepress department at Colours Factory

IMPRIMERIE GUTENBERG (FRANCE)

Imprimerie Gutenberg offers offset printing services for local authorities, manufacturing companies and other businesses. The company recently invested in an automated computer-to-plate solution including process-free Eclipse plates. Reducing the use of chemicals is important for Imprimerie Gutenberg, who carry the Imprim'Vert eco-label. By eliminating the processor, the CtP system also has a much smaller footprint, which was important given the limited available space.

"The process-free Eclipse plates are as hard-wearing as they are high-quality, even for longer print runs. Thanks to Agfa, we can offer our customers exactly the quality that they want."

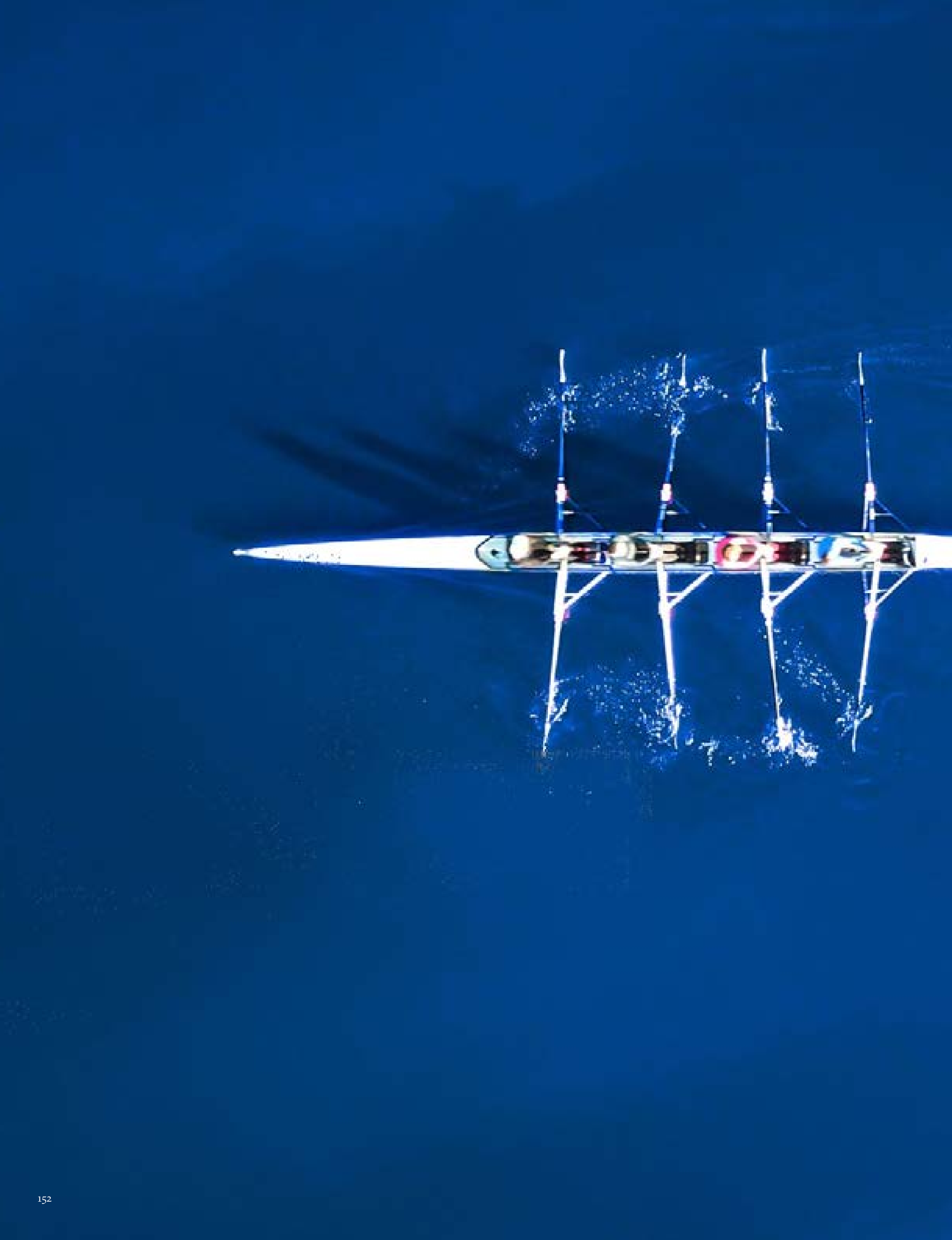
FRANK TESO,
Owner of Imprimerie Gutenberg

LITOGRAFÍA FRANCISCO JARAMILLO (COLOMBIA)

Litografía Francisco Jaramillo has been in the market for 60 years. It specializes in publicity materials and packaging. In line with their environmental objectives for their production chain, the company recently switched to Agfa's process-free Eclipse printing plates. With Eclipse, the company found a printing plate that combines the benefits of process-free technology with effortless printing.

"Eclipse is really easy to handle and enables us to save time, as there are no errors or scratches that might otherwise cause delays in the print production process."

JENNY URQUINA MOTTA,
General manager Litografía Francisco Jaramillo



Financial Statements

Opinion on the fair presentation in accordance with the Royal Decree of November 14, 2007

The Board of Directors and the Executive Management of Agfa-Gevaert NV, represented by Mr. Frank Aranzana, Chairman of the Board of Directors, Mr. Pascal Juéry, President and Chief Executive Officer and Mr. Dirk De Man, Chief Financial Officer, hereby declare that, to the best of their knowledge,

- the consolidated financial statements give a true and fair view of the Group's net worth and financial position and of its results in accordance with International Financial Reporting Standards as adopted by the EU;
- the annual report gives a true and fair view of the developments and results of the Company and its subsidiaries included in the consolidated financial statements, as well as a description of the main risks and uncertainties which the Group is facing.

The accompanying notes are an integral part of these consolidated financial statements.

Financial report
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Agfa-Gevaert Group - Consolidated statement of profit or loss

The accompanying notes on pages 162 to 255 are an integral part of these consolidated financial statements.

MILLION EURO	Note	2021	2022
Revenue	**8**	**1,760**	**1,857**
Cost of sales		(1,263)	(1,329)
Gross profit		**497**	**528**
Selling expenses		(231)	(249)
Research and development expenses		(95)	(101)
Administrative expenses		(155)	(182)
Net impairment loss on trade and other receivables, including contract assets	22.2	(2)	(1)
Other operating income	9	41	27
Other operating expenses	9	(47)	(182)
Results from operating activities	**6**	**9**	**(160)**
Interest income (expense) - net		**(1)**	**-**
Interest income	10	2	4
Interest expense	10	(3)	(4)
Other finance income (expense) - net		**(6)**	**(20)**
Other finance income	10	10	6
Other finance expense	10	(16)	(26)
Net finance costs		**(8)**	**(19)**
Share of profit of associates - net of tax	30.1	-	(1)
Profit (loss) before income taxes		**1**	**(181)**
Income tax expense	17	(15)	(42)
Profit (loss) for the year		**(14)**	**(223)**
Profit (loss) attributable to:			
Owners of the Company		(17)	(221)
Non-controlling interests		4	(2)
Earnings per share (Euro)			
Basic earnings per share / diluted earnings per share (Euro)	12	(0.11)	(1.41)

Agfa-Gevaert Group - Consolidated statement of comprehensive income

The accompanying notes on pages 162 to 255 are an integral part of these consolidated financial statements.

MILLION EURO	Note	2021	2022
Profit (loss) for the period		**(14)**	**(223)**
Other comprehensive income, net of tax			
Items that are or may be reclassified subsequently to profit or loss:		**21**	**7**
Exchange differences:		*30*	*7*
Exchange differences on translation of foreign operations	37.6	30	7
Cash flow hedges:		*(9)*	*-*
Effective portion of changes in fair value of cash flow hedges	37.4	4	(5)
Change in fair value of cash flow hedges reclassified to profit or loss	37.4	(1)	5
Adjustments for amounts transferred to initial carrying amount of hedged items	37.4	(13)	-
Income taxes	37.4	2	-
Items that will not be reclassified subsequently to profit or loss:		**91**	**123**
Equity investments at fair value through OCI - change in fair value	37.3	2	(2)
Remeasurements of the net defined benefit liability	37.5	96	148
Income tax on remeasurements of the net defined benefit liability	37.5	(7)	(23)
Total other comprehensive income for the period, net of tax:		**112**	**130**
Total comprehensive income for the period attributable to:		**99**	**(93)**
Owners of the Company		91	(91)
Non-controlling interests		8	(2)

Agfa-Gevaert Group - Consolidated statement of financial position

The accompanying notes on pages 162 to 255 are an integral part of these consolidated financial statements.

MILLION EURO	Note	December 31, 2021	**December 31, 2022**
ASSETS			
Non-current assets		**756**	**602**
Goodwill	27	280	218
Intangible assets	27	13	29
Property, plant and equipment	28	129	107
Right-of-use assets	29	68	45
Investments in associates	30	1	1
Other financial assets	30	8	5
Assets related to post-employment benefits	13	40	18
Trade receivables	22.2	12	9
Receivables under finance lease	31	70	72
Other assets	36	11	8
Deferred tax assets	17	124	91
Current assets		**1,339**	**1,153**
Inventories	32	418	487
Trade receivables	22.2	307	291
Contract assets	8.3	76	94
Current income tax assets	17	63	56
Other tax receivables	18	19	28
Other financial assets	30	2	1
Receivables under finance lease	31	30	31
Other receivables	33	4	6
Other current assets	36	18	17
Derivative financial instruments	25	1	3
Cash and cash equivalents	34	398	138
Non-current assets held for sale	35	3	2
TOTAL ASSETS		**2,095**	**1,756**
EQUITY AND LIABILITIES			
Equity	**37**	**685**	**561**
Equity attributable to owners of the Company		**632**	**520**
Share capital		187	187
Share premium		210	210
Retained earnings		1,284	1,042
Other reserves		(1)	(3)
Translation reserve		(15)	(9)
Post-employment benefits: remeasurements of the net defined benefit liability		(1,033)	(908)
Non-controlling interests	**37.8**	**54**	**41**
Non-current liabilities		**812**	**610**
Liabilities for post-employment and long-term termination benefit plans	13/14	735	536
Other employee benefits	16	11	9
Loans and borrowings	38	46	41
Provisions	39	12	14
Deferred tax liabilities	17	6	9
Contract liabilities	8.3	1	-
Current liabilities		**597**	**585**
Loans and borrowings	38	27	25
Provisions	39	42	36
Trade payables	23	252	249
Contract liabilities	8.3	111	109
Current income tax liabilities	17	28	29
Other tax liabilities	18	28	32
Other payables	40	9	6
Employee benefits	16	99	95
Other current liabilities		-	-
Derivative financial instruments	25	2	2
TOTAL EQUITY AND LIABILITIES		**2,095**	**1,756**

Agfa-Gevaert Group - Consolidated statement of changes in equity

The accompanying notes on pages 162 to 255 are an integral part of these consolidated financial statements.

		ATTRIBUTABLE TO OWNERS OF THE COMPANY										
MILLION EURO	Note	Share capital	Share premium	Retained earnings	Reserve for own shares	Revaluation reserve	Hedging reserve	Remeasurement of the net defined benefit liability	Translation reserve	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2021		**187**	**210**	**1,412**	**(82)**	**-**	**7**	**(1,122)**	**(42)**	**570**	**51**	**620**
Comprehensive income for the period												
Profit (loss) for the period		-	-	(17)	-	-	-	-	-	(17)	4	(14)
Other comprehensive income net of tax	37.9	-	-	-	-	2	(9)	89	26	109	4	112
Total comprehensive income for the period		**-**	**-**	**(17)**	**-**	**2**	**(9)**	**89**	**26**	**91**	**8**	**99**
Transactions with owners, recorded directly in equity - changes in ownership												
Dividends	37.8	-	-	-	-	-	-	-	-	-	(5)	(5)
Purchase of own shares	37.2	-	-	-	(29)	-	-	-	-	(29)	-	(29)
Cancellation of own shares	37.2	-	-	(111)	111	-	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity		**-**	**-**	**(111)**	**82**	**-**	**-**	**-**	**-**	**(29)**	**(5)**	**(34)**
Balance at December 31, 2021		**187**	**210**	**1,284**	**-**	**2**	**(2)**	**(1,033)**	**(15)**	**632**	**54**	**685**
Balance at January 1, 2022		**187**	**210**	**1,284**	**-**	**2**	**(2)**	**(1,033)**	**(15)**	**632**	**54**	**685**
Comprehensive income for the period												
Profit (loss) for the period		-	-	(221)	-	-	-	-	-	(221)	(2)	(223)
Other comprehensive income net of tax	37.9	-	-	-	-	(2)	-	125	7	130	-	130
Total comprehensive income for the period		**-**	**-**	**(221)**	**-**	**(2)**	**-**	**125**	**7**	**(91)**	**(2)**	**(93)**
Transactions with owners, recorded directly in equity - changes in ownership												
Dividends	37.8	-	-	-	-	-	-	-	-	-	(10)	(10)
Purchase of own shares	37.2	-	-	-	(21)	-	-	-	-	(21)	-	(21)
Cancellation of own shares	37.2	-	-	(21)	21	-	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity		**-**	**-**	**(21)**	**-**	**-**	**-**	**-**	**-**	**(21)**	**(10)**	**(31)**
Balance at December 31, 2022		**187**	**210**	**1,042**	**-**	**(1)**	**(2)**	**(908)**	**(9)**	**520**	**41**	**561**

Agfa-Gevaert Group - Consolidated statement of cash flows

The accompanying notes on pages 162 to 255 are an integral part of these consolidated financial statements.

MILLION EURO	Note	2021	2022
Profit (loss) for the period		**(14)**	**(223)**
Income taxes	17	15	42
Share of (profit)/loss of associates - net of tax		-	1
Net finance costs	10	8	19
Operating result		**9**	**(160)**
Depreciation and amortization (excluding D&A on right-of-use assets)	27/28	34	35
Depreciation and amortization on right-of-use assets	29	28	28
Impairment losses on goodwill	27	-	70
Impairment losses on intangibles	27	-	3
Impairment losses on PP&E	28	-	26
Impairment losses on right-of-use assets	29	1	15
Recycling of hedge reserve	21.4	(1)	5
Government grants and subsidies		(13)	(5)
Gains/losses on the sale of intangible assets and PP&E		(8)	(1)
Expenses for defined benefit plans and long term termination benefits		30	35
Accrued expenses for personnel commitments		75	70
Write-downs/reversals on inventories	32	11	12
Impairments/reversals on receivables	22.2	2	1
Additions/reversals of provisions	39	13	23
Exchange results and changes in fair value of derivatives		5	10
Operating cashflow before changes in working capital		**186**	**166**
Change in inventories		(48)	(65)
Change in trade receivables		6	25
Change in contract assets		(8)	(14)
Change in trade working capital assets		**(50)**	**(55)**
Change in trade payables		38	(7)
Change in contract liabilities		3	(8)
Change in trade working capital liabilities		**41**	**(15)**
Changes in trade working capital		**(10)**	**(69)**
Cash out for employee benefits		(273)	(149)
Cash out for provisions	39	(39)	(27)
Changes in lease portfolio		(1)	(2)
Changes in other working capital		17	4
Cash settled operating derivatives		12	(9)
Cash generated from (used in) operating activities		**(108)**	**(86)**
Income taxes paid		(8)	(15)
Net cash from (used in) operating activities		**(116)**	**(100)**

Agfa-Gevaert Group - Consolidated statement of cash flows (continued)

The accompanying notes on pages 162 to 255 are an integral part of these consolidated financial statements.

MILLION EURO	Note	2021	2022
Capital expenditures	27/28	(26)	(33)
Proceeds from sale of intangible assets and PP&E	27/28	12	2
Acquisition of subsidiaries, net of cash acquired	19	-	(48)
Investments in associates	30	(1)	(1)
Disposal of discontinued operations, net of cash disposed of	20	-	(5)
Repayment of loans granted to 3rd parties		9	-
Interest received		4	7
Net cash from (used in) investing activities		**(2)**	**(76)**
Interest paid		(4)	(5)
Dividends paid to non-controlling interests	37.8	(5)	(11)
Purchase of treasury shares	37.2	(29)	(21)
Proceeds from borrowings	38.4	2	3
Repayment of borrowings	38.4	(3)	(4)
Payment of finance leases	38.4	(29)	(30)
Proceeds/(payment) of derivatives		(2)	(9)
Other financing income/(costs) received/paid		4	1
Net cash flow (used in) financing activities		**(67)**	**(77)**
Net increase (decrease) in cash and cash equivalents		**(185)**	**(253)**
Cash and cash equivalents at the start of the period		**585**	**398**
Net increase/(decrease) in cash & cash equivalents		(185)	(253)
Effect of exchange rate fluctuations		(1)	(7)
Gains/(losses) of marketable securities		(1)	-
Cash and cash equivalents at the end of the period [1]	**34**	**398**	**138**

(1) Bank overdrafts are presented in minus of cash and cash equivalents in the cash flow statement: December 2022 0.1 million Euro, December 2021 0.1 million Euro.

BASIS OF PREPARATION

1. REPORTING ENTITY

Agfa-Gevaert NV ('the Company') is a company established in Belgium. The address of the Company's registered office is Septestraat 27, 2640 Mortsel.

The 2022 Consolidated Financial Statements of the Group include the Company and 99 consolidated subsidiaries (2021: 96 consolidated subsidiaries) controlled by the Company. Investments in subsidiaries are listed in Note 42.

Non-controlling interests have a material interest in nine subsidiaries in greater China and the ASEAN region. The financials are explained in Note 37.8. In Europe, there are a few subsidiaries in which non-controlling interests have an interest that is of minor importance to the Group.

2. BASIS OF ACCOUNTING

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union up to December 31, 2022.

The Group has not early adopted any new IFRS requirements that were not yet effective in 2022. Further information is provided in Note 51 'New standards and interpretations issued but not yet effective' The consolidated financial statements were authorized for issue by the Board of Directors on March 21, 2023.

3. FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest million, except when otherwise indicated. By using rounded numbers, the sum of line items presented in a table may not always match with (sub)totals as this total itself has been rounded to the nearest million and is not the sum of rounded data.

4. USE OF ESTIMATES AND JUDGMENTS

In preparing these consolidated financial statements, management has made judgments and estimates that affect the Group's accounting policies and the reported amounts of assets, liabilities, income and expense.

Revisions to accounting estimates are recognized prospectively. Accounting estimates and underlying assumptions are continually reviewed but may vary from the actual values.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are listed below with reference to the respective note(s) where more information is disclosed.

Area of judgments, assumptions and accounting estimates	Explanatory notes
The discounted cash flows used for impairment testing	Note 27 Goodwill and intangible assets
The assessment of the adequacy of liabilities for pending or expected income tax audits over previous years	Note 17 Income taxes
The recoverability of deferred tax assets	Note 17 Income taxes
The actuarial assumptions used for the measurement of defined benefit obligations	Note 13 Post-employment benefits
Revenue recognition with regard to multiple-element arrangements	Note 8 Revenue
Impairment of financial assets expected credit losses	Note 22.2 Expected credit losses

Additionally, management has made significant judgments and estimates on the presentation and disclosure of the planned sale of the Group's 'Offset Solutions' business. These judgments and estimates are explained in more detail hereafter.

4.1 Management's judgment on presenting and disclosing 'Offset Solutions' as 'Net assets held for sale and discontinued operations'

The Group's management has concluded that the criteria as described in IFRS 5 'non-current assets held for sale and discontinued operations' have not been met as per December 31, 2022. According to this standard, when the carrying amount of the net assets attributable to a disposal group (in this case the Offset Solutions business) will be recovered principally through a sale transaction, related net assets, operations and cashflows are to be presented in the Group's primary financial statements as 'held for sale and discontinued operations'. This is only the case when the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal groups, and its sale is highly probable.

As per August 30, 2022, the Group has entered into an agreement with a financial group AURELIUS to sell the Offset Solutions business. Management expects completion to take place on April 3, 2023, after all regulatory approvals have been obtained and all carve-out steps have been completed. In the meantime, Offset Solutions will remain part of the Group and operations will continue as usual.

One of the most important carve-out steps to be completed before Closing is the carve-out in US and Canada of the Offset Solutions' business from the remainder of its operations in Digital Print & Chemicals. These carve-outs will be accompanied by the implementation of new transactional systems for the Offset Solutions activities within the entities founded for the purpose of these carve-out transactions.

Next to Europe, the North American region is one of the most important value regions for Offset Solutions and thus also for the perimeter of the planned disposal towards the AURELIUS Group. North America plays an important role in terms of gross margin as well as price evolution, both in film and plates. It is also worth mentioning this region is sourced with plates produced in Europe and as such supports the Group's production infrastructure in Germany (Wiesbaden): in 2022 the North American region represented 28% of the production volume of this factory. In addition, the presence of Offset Solutions' business in US and Canada is also important from a strategic point of view, more specifically in regards of the Group's competitive positioning. It is therefore clear that the North American region forms an essential part in the planned sale transaction of the Group's Offset Solutions business.

The separation of the Offset Solutions business from the remainder of the Group's activities in US and Canada, requires the implementation of a new transactional system (SAP ERP) in both countries. This SAP ERP system should encompass all the core business processes needed to run a company: finance, HR, supply chain, services, procurement, and others. In the execution of separating the Offset Solutions business in US and Canada, major steps are still to be taken during the first quarter of 2023. Management considers the implementation of a new ERP system as neither usual nor customary for the sale of a disposal group, not even in case of a carve-out transaction. The legal carve-outs in US and Canada towards the new entities are scheduled for March 31, 2023 and are intended to be immediately followed by a go-live of the new SAP ERP systems.

As per December 31, 2022 the Group's Offset Solutions business that is subject to disposal is not available for immediate sale in its present condition. The separation of the Offset Solutions' business in US and Canada from its Digital Print & Chemicals business and the implementation of the ERP system for the Offset Solutions operations in that region are important conditions that are to a considerable degree to be fulfilled during the first quarter of 2023. These terms could not be considered as usual and customary for the sale of said group of assets.

Management expects that all criteria to classify the net assets of the Offset Solutions business that will be disposed of as 'held-for-sale' would be fulfilled as per March 31, 2023. The Group's primary financial statements of the first quarter 2023 will present the net assets of the Offset Solutions business that will be disposed of as 'held for sale' and related operations and cashflows as 'discontinued operations'. On initial classification as 'held-for-sale', the group of assets attributable to the business that is disposed of – called a disposal group - is measured at the lower of the carrying amount and its fair value less costs of disposal. As the Group has signed a sales purchase agreement, the sales price, consisting of a fix and variable portion, is to be used as a proxy for the fair value of the disposal group.

The Group measures all its assets and liabilities in accordance with applicable IFRSs. According to IAS 36 'Impairment of Assets', non-current assets such as intangibles, property, plant and equipment and right-of-use assets are tested for impairment when there is an indication for impairment. Given the existence of a sales purchase agreement and a sales price which is below the carrying amount of the non-current assets, including the right-of-use assets, an impairment loss equal to the carrying amount of the assets that are in scope of IAS36 has been recognized. As such an impairment loss on property, plant and equipment and right-of-use assets amounting in aggregate 41 million Euro has been recognized in profit or loss as per December 31, 2022. The goodwill attributable to Offset Solutions has already been fully impaired as per December 31, 2019. As per December 31, 2022 other assets such as inventory, trade receivables and deferred tax assets attributable to the Offset Solutions business have also been measured according to the applicable IFRS. Except for deferred tax assets, this measurement has not resulted in the recognition of additional losses. For the valuation loss of deferred tax assets relating to the Offset Solutions business that is recorded at year-end 2022, we refer also to Note 17 'Taxes'.

In 2023, when the criteria as specified in IFRS 5 to present the net assets of Offset Solutions as 'held for sale' are met, the entire disposal group will be measured at 'fair value less costs of disposal' which will result in an additional loss to be reflected in the Profit or loss statement.

The total expected loss on the sale transaction is estimated to range between 100 and 115 million Euro. This amount is a best estimate of the total loss on the transaction determined based upon data available as per December 31, 2022 and comprises five components:

- The impairment loss recognized as per December 31, 2022 on property, plant & equipment and "right-of-use" assets, amounting to 41 million (IAS 36);
- The valuation loss recognized as per December 31, 2022 on deferred tax assets, amounting to 8 million Euro (IAS 12);
- The incremental costs attributable to the sale: they have been accrued for in the accounts of 2022 and amount to 5 million Euro;
- When the conditions specified in IFRS 5 requiring the net assets of a disposal group to be presented as 'net assets held for sale' are fulfilled, the impact of valuing the disposal group at 'fair value less costs of disposal' is expected to be recognized: expected by the end of the first quarter of 2023; and
- The release in profit or loss of the cumulative translation adjustments historically built up until disposal and attributable to the Offset Solutions business. This last part will be recognized on Closing, currently foreseen on April 3, 2023.

This expected loss considers a 'Consideration, net of cash' estimated to range between 15 and 30 million Euro. This amount considers, among other things, the transfer of pension and similar liabilities to the buyer amounting to around 50 million Euro.

The evolution of the working capital as well as the debt and debt like items on the date of closing the sales transaction will impact the 'Consideration receivable, net of cash'. The sales purchase agreement foresees a price mechanism that compensates for the difference between the actual and target working capital, defined according to contractually agreed rules.

The actual loss on the transaction will be mainly dependent on the evolution of the working capital, items contractually excluded for the calculation of the purchase price as well as the translation adjustments on investments in the Offset Solutions' foreign operations that are currently comprised in the Group's equity.

The final amount of consideration receivable, the carrying amount of the disposal group at Closing and resulting loss on the transaction will only be known at final settlement of the purchase price.

For an overview of the operating assets and liabilities of the reportable segment Offset Solutions, we refer to Note 6 'Reportable Segments'. These assets and liabilities might deviate from the assets and liabilities attributable to the disposal group 'Offset Solutions': one of the main elements that explains this difference relates to the agreement of Agfa to continue producing and supplying film and chemicals for Offset Solutions. Another major difference relates to the pension liabilities of inactive employees (former employees and employees with deferred vested rights) of the factory in Germany that are comprised in the net assets that will be disposed of. These liabilities are not reflected in the Offset Solutions segment as all the Group's pension liabilities for 'Inactives' are not attributed to reportable segments.

5. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Financial reporting standards applied for the first time in 2022

The consolidated statements of the Group as disclosed in this annual report take into account new standards applicable as from January 1, 2022. Following standards and amendments were applied for the first time to the Group's financial statements for the year 2022.

It relates to:

- Amendments to IFRS 3 *Business Combinations*; IAS 16 *Property, Plant and Equipment*; IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as well as *Annual Improvements*.

These standards were either not applicable or did not have a material impact to the Group's financial statements.

PERFORMANCE OF THE YEAR

The HealthCare IT and Digital Print & Chemicals divisions posted sales growth excluding currency impact. Mainly due to price increases, Offset Solutions' top line remained stable and Radiology Solutions' medical film business was heavily impacted by the COVID-lockdowns in China. The Group's gross profit margin remained stable at 28.5% of revenue, mainly due to price increase actions to tackle the strong impact of cost inflation and supply chain issues. Adjusted EBITDA was influenced by inflationary pressure, disrupted supply chains and industrial inefficiencies in the fourth quarter.

For HealthCare IT, 2022 was a year of consolidation, as the focus turned towards profitable growth. As shown by the positive development of the order intake, the division's strategy to target customer segments and geographies for which its Enterprise Imaging solution is best fit and to prioritize higher value revenue streams is working and delivering. This strategy will ultimately allow the division to reach the targeted growth of EBITDA: starting from a mid-single-digit percentage in 2019 to percentages in the high-teens over the next years. Due to increased momentum in the second half of the year, the HealthCare IT division's top line increased in North America and Europe versus the previous year. The growth was driven by the revenue recognition from a number of important contracts, as well as a stabilization of recurring revenue.

For Radiology Solutions, mainly in China, the medical film business was impacted by the COVID situation. The current geopolitical situation and slower than normal volumes in some export markets also had an impact. The market driven top line decline for the Computed Radiography business was further amplified by the current geopolitical situation and component shortages. Agfa continues to manage the CR business to maintain healthy profit margins. Following a number of slower quarters, the Direct Radiography business' revenue started to pick up in the second half of the year. Strong sales growth was recorded in ASPAC and LATAM. In a number of countries in those regions, first-of-a-kind installations were realized with several systems, including high-end modalities and the recently introduced VALORY X-ray room. Furthermore, Agfa has taken measures to deal with the post-COVID market volatility. Recently, the DR market saw the entry of several new competitors with low-cost solutions. The order book for DR remains strong, with continuously longer conversion lead times affected by the supply chain environments. Agfa is taking actions (right-sizing of the organization, relocations, costs control actions, price increases, net working capital actions) to increase the business' agility and to better adapt it to the current market conditions.
In the course of the fourth quarter, the Group has tested the goodwill attributed to the CGU Radiology Solutions for impairment, taking into account the five-year business plan approved by the Board of Directors with a substantially increased WACC. As a result of these tests, the calculated value in use of the CGU Radiology Solutions was lower than its carrying amount and an impairment loss was recognized on goodwill (70 million Euro) and intangible assets (3 million Euro) (see Note 27).

In the field of digital print, the top line of the sign & display business grew strongly. The ink product ranges for sign & display applications performed well throughout the year. In spite of industry-wide logistic challenges for the high-end equipment, the wide-format printing equipment business posted solid revenue growth. In the field of industrial inkjet, the décor printing business was impacted by the weakening economic environment, as customers are postponing investments in their digitization process. Volumes for OEM inks decreased due to the lockdowns in China, the unstable geopolitical situation and the weak economic environment.

Mainly due to price increases, Offset Solutions' top line remained stable. The division continued to focus on high-value regions, concentrating on margins rather than volumes. In spite of the lower volumes the successful implementation of price increases to tackle the overall cost inflation, among others for raw materials, packaging and freight led to top line growth.
Although affected by cost inflation, the gross profit margin improved from 20.4% of revenue in 2021 to 22.7% due to the implemented price adjustments and the focus on high-value regions. Adjusted EBITDA improved strongly.
In August 2022, the Agfa-Gevaert Group has signed a share purchase agreement with AURELIUS Group for the sale of its Offset Solutions division. Both parties aim to complete the transaction in the first week of April, 2023.

Overall, the Agfa-Gevaert Group expects a significant improvement in profitability in the full year 2023 versus 2022. The HealthCare IT division's growth strategy is expected to deliver top line growth, as well as double-digit adjusted EBITDA growth in 2023. In Radiology Solutions, stability is expected, with continuous margin pressure for medical film. The progress in Direct Radiography that was recorded in the second half of 2022 is expected to continue. For Digital Print & Chemicals, the division expects to restore profitability, based on pricing actions and on positive contributions from the Inca acquisition and the ZIRFON membranes. The revenue generated by ZIRFON will continue to grow very strongly.

Business continuity in Russia

The Agfa Group's business in Russia concerns less than 2% of the Group's turnover, and the majority relates to the Radiology Solutions business. Agfa is not producing in Russia. Some Agfa products, such as offset equipment and ink products can no longer be shipped to Russia/Belarus due to EU restrictive measures. Within the limits set by the EU and competent national authorities, Agfa will continue using commercially reasonable efforts to deliver and ship any unaffected, ordered goods. Agfa has no assets and no personnel in Ukraine that is affected by the ongoing crisis.

Indirect effects from the situation in Russia/Ukraine mainly relate to expected credit losses on trade receivables and lease receivables, restricted cash and the realization of the business plan in the Radiology Solutions business taking into account increased inflation and increased interest rates. The Agfa Group has two subsidiaries of minor importance in Russia and the outstanding 3rd party trade receivables amount to 1 million Euro at the end of December 2022. During 2022, turnover realized in Russia amount to 25 million Euro. There is no restricted cash in these two legal entities.

6. REPORTABLE SEGMENTS

The activities of the Group have been grouped into four divisions: HealthCare IT, Radiology Solutions, Digital Print & Chemicals and Offset Solutions. This divisional structure is technology and solutions based and will allow the business to seek future partnerships.

The Group's management has identified the aforementioned divisions as its operating segments. They equal the Group's reportable segments. All operating segments have strong market positions, well-defined strategies and full responsibility, authority and accountability.

To allow for a more accurate assessment of the performance of the operating segments some costs of Corporate functions at Group level (e.g. Investor Relations, Corporate Finance, Internal Audit, Innovation Office) are not attributed to the operating segments. These costs are reported under 'Corporate Services.'

The Group's operating segments reflect the level at which the Group's CEO and the Executive Committee review the business and make decisions about the allocation of resources and other operating matters. The reportable segments comprise the following activities:

HealthCare IT

The HealthCare IT division supports healthcare professionals across the globe with secure, effective and sustainable imaging data management. Focused on its robust and unified Enterprise Imaging Platform the division helps its clients manage resource allocation, improve productivity and provide clinical confidence with patient-centric contextual intelligence.
With its core commitment on delivering value, Agfa HealthCare's technology suits multi-specialty requirements and securely standardizes workflows, to collaborate seamlessly between departments and across geographies. From product development to implementation, Agfa HealthCare's best-of-suite Imaging IT software solutions are purpose-built to reduce complexity and support healthcare providers to achieve their clinical, operational and business strategies.

Radiology Solutions

Agfa's Radiology Solutions division is a major player on the diagnostic imaging market, providing analog and digital imaging technology to meet the needs of specialized clinicians in hospitals and imaging centers around the world. Agfa's innovative imaging equipment and its leading MUSICA image processing software set standards in productivity, safety, clinical value and cost effectiveness.
With over 150 years of experience, Agfa helps its customers to improve the quality and efficiency of their patient care. Every single day, Agfa proves that medical imaging is in its DNA.

Digital Print & Chemicals

Agfa's Digital Print & Chemicals division serves a great variety of industries. Building on Agfa's expertise in chemistry and its deep knowledge of the graphic arts industry, the division has a leading position in inkjet printing. Agfa supplies sign & display printing companies with a range of highly productive and versatile wide-format inkjet printers with matched inks, powered by dedicated workflow software. In addition, it develops high-performance inkjet inks and fluids for industrial inkjet applications, enabling manufacturers to integrate print into their existing production processes. It also offers dedicated inkjet inks to specific hi-tech industries such as the printed electronics industry. Furthermore, the division supplies membranes to the hydrogen production industry (Zirfon), as well as a range of printable synthetic papers. The product assortment is completed by films for micrography, non-destructive testing, aerial photography and printed circuit board production.

Offset Solutions

The Offset Solutions division is a global leading supplier to the offset printing industry, offering commercial, newspaper and packaging printers and the most extensive range of integrated prepress and printing solutions. These span the entire prepress workflow right up to the press with computer-to-plate systems using digital offset printing plates, pressroom supplies, and state-of-the-art software for workflow optimization, color management, screening and print standardization. Agfa's sustainable innovations for offset printing bring value to printing companies in terms of ecology, economy, and extra convenience — or ECO^3.

6.1 Principles applied in determining segment results, segment assets and liabilities

The Group's management has identified the aforementioned divisions as its operating segments. They equal the Groups reportable segments.
There are no transactions between operating segments.
Segment results, assets and liabilities are attributed to a reportable segment based on the following principles:

- Direct attributable to a reportable segment whenever possible; otherwise
- Allocated to a reportable segment on a reasonable basis, preferably activity based or effortized.

To allow for a more accurate assessment of the performance of the operating segments some costs of Corporate functions at Group level (e.g. Investor relations, Corporate Finance, Internal Audit, Innovation office) are not attributed to the operating segments. These costs are currently reported under 'Corporate Services.' Also the costs and liabilities for inactive employees (see below) and closed defined benefit plans are not attributed to operating segments as they cannot be allocated on a reasonable basis to one or more reportable segments.

These unallocated data are included in the reconciling items between the total reportable segment information and the consolidated profit or loss, total assets and total liabilities. This reconciliation is provided in Note 6.3.

Inactive employees are defined as permanently retired employees, former employees with vested rights, and other employees who are not expected to return to active status, e.g. early retirement. Employees who are in principle only temporarily inactive, e.g. long-term disability or illness, maternity leave, military service, etc. are treated as active employees and are consequently assigned to one of the reportable segments.

Segment assets and liabilities do not comprise current income tax receivables and payables and deferred taxes (see reconciliation in Note 6.3).

6.2 Key data by business

Key data for the reportable segments have been calculated as follows:

- Adjusted EBIT is the result from operating activities before net restructuring expenses (2022: 32 million Euro, 2021: 20 million Euro) and non-recurring items (2022: 160 million Euro, 2021: 13 million Euro). Non-recurring items mainly comprise impairment losses, strategic transformation projects related costs (consultancy) and lawyer expenses;
- % of revenue is the ratio of adjusted EBIT to revenue;
- Adjusted EBITDA = adjusted EBIT before depreciation and amortization;
- Segment result is the profit from operating activities;
- Segment assets are those operating assets that are employed by a reportable segment in its operating activities;
- Segment liabilities are those operating liabilities that result from the operating activities of a reportable segment;
- Net cash from (used in) reportable segments is the excess of cash receipts over cash disbursements from activities that result from a reportable segment. The financial flows, the interest received and cash flows from other investing activities are not attributed to a reportable segment;
- Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year;

- Other non-cash items include impairment losses and reversal of impairment losses of receivables, write downs of inventories and reversals of write downs, past service costs (credits) and gains and losses on settlements of defined benefit liabilities, granted subventions and additions and reversals of provisions, excluding provisions for income tax, to the extent reflected in results from operating activities.

Reportable segment	HealthCare IT		Radiology Solutions		Digital Print & Chemicals		Offset Solutions		TOTAL	
MILLION EURO	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**
Revenue	219	244	464	462	330	372	748	779	1,760	1,857
Change	-4.8%	11.5%	-4.5%	-0.4%	13.9%	12.9%	6.3%	4.2%	3.0%	5.5%
Adjusted EBIT	22	20	38	22	7	(9)	(6)	18	61	50
% of revenue	9.9%	8.0%	8.1%	4.8%	2.3%	-2.6%	-0.8%	2.3%	3.5%	2.7%
Amortization and depreciation	3	2	15	15	8	9	8	8	34	35
Depreciation right-of-use assets	6	5	8	9	4	4	10	10	28	28
Adjusted EBITDA	30	27	61	47	19	3	12	36	122	113
Segment result	18	18	41	(72)	5	(15)	(16)	(36)	47	(105)
Segment assets	395	420	392	306	240	333	429	382	1,456	1,441
Segment liabilities	129	123	193	164	76	105	293	228	691	620
Net cash from (used in) reportable segments	6	(7)	54	4	5	(38)	3	(28)	68	(68)
Capital expenditures	1	2	10	11	9	11	6	8	26	32
Impairment losses recognized on non-current assets	-	-	-	73	-	-	1	41	1	114
Other non-cash items	15	20	32	51	27	35	40	39	114	144
Research and development expenses	29	33	18	16	22	29	20	20	89	98
Average number of employees (Full time equivalents) (1)	1,281	1,229	2,285	2,112	1,157	1,230	2,402	2,151	7,126	6,721

(1) The figures comprise permanent and temporary contracts.

6.3 Reconciliation of revenue, adjusted EBIT, profit or loss, assets, liabilities and cash flows

MILLION EURO	2021	2022
Revenue		
Revenue for reportable segments	1,760	1,857
Consolidated revenue	**1,760**	**1,857**
Adjusted EBIT		
Adjusted EBIT for reportable segments	61	50
Adjusted EBIT not allocated to a reportable segment (1)	(19)	(19)
Consolidated adjusted EBIT	**42**	**31**
Profit or loss		
Segment result	47	(105)
Profit (loss) from operating activities not allocated to a reportable segment (1)	(38)	(55)
Results from operating activities	**9**	**(160)**
Other unallocated amounts:		
Interest income (expense) - net	(1)	-
Other finance income (expense) - net	(6)	(20)
Share of profit of associates - net of tax	-	(1)
Consolidated profit (loss) before income taxes	**1**	**(181)**
Assets		
Total assets for reportable segments	1,456	1,441
Operating assets not allocated to a reportable segment (1)	43	22
Other financial assets	10	6
Deferred tax assets	124	91
Derivative financial instruments	1	3
Cash and cash equivalents	398	138
Current income tax assets	63	56
Consolidated total assets	**2,095**	**1,756**
Liabilities		
Total liabilities for reportable segments	691	620
Operating liabilities not allocated to a reportable segment (1)	608	469
Loans and borrowings	72	66
Deferred tax liabilities	6	9
Derivative financial instruments	2	2
Current income tax liabilities	28	29
Other unallocated liabilities	2	-
Equity	685	561
Consolidated total equity and liabilities	**2,095**	**1,756**
Cash flows		
Net cash from (used in) reportable segments	68	(68)
Operating cash flows not allocated to a reportable segment	(218)	(92)
Net interest and dividend paid to non-controlling interests	(5)	(10)
Purchase of treasury shares	(29)	(21)
Net proceeds from borrowings	(2)	(1)
Acquisitions and disposals of business	-	(53)
Proceeds/(payment) of derivatives	(2)	(9)
Other	4	1
Consolidated net increase (decrease) in cash and cash equivalents	**(185)**	**(253)**

(1) Operating results, assets and liabilities and cash flows, not allocated to a reportable segment, relate mainly to corporate functions at Group level and inactive employees.

6.4 Reconciliation of other material items for 2021 and 2022

Other material items 2021

The segmented other material items as presented in the table under Note 6.2 can be reconciled with the consolidated figures as follows:

MILLION EURO	Note	Reportable segments total	Adjustments	TOTAL
Capital expenditures (cash outflows)	27/28	26	-	26
Amortization and depreciation	27/28	34	-	34
Depreciation right-of-use assets (IFRS 16)	29	28	-	28
Impairment losses recognized on non-current assets	27/28/29	1	-	1
Other non-cash items		114	-	114
Research and development expenses		89	6	95

Other material items 2022

MILLION EURO	Note	Reportable segments total	Adjustments	TOTAL
Capital expenditures (cash outflows)	27/28	32	-	33
Amortization and depreciation	27/28	34	-	35
Depreciation right-of-use assets (IFRS 16)	29	28	-	28
Impairment losses recognized on non-current assets	27/28/29	114	-	114
Other non-cash items		144	5	149
Research and development expenses		98	3	101

6.5 Geographical information for 2021 and 2022

The Group distinguishes four geographical regions: Europe, NAFTA, Latin America and Asia/Oceania/Africa. The Group's country of establishment is Belgium.

MILLION EURO	2021 Revenue by market (1)	**2022 Revenue by market (1)**
Europe	654	683
of which related to home market Belgium	34	35
NAFTA	350	425
Latin America	107	128
Asia/Oceania/Africa	650	620
TOTAL	**1,760**	**1,857**
All foreign countries		
Germany	132	129
France	57	60
Italy	69	74
UK	74	90
US	270	328
Canada	48	60
Brazil	50	60
India	54	60
China	322	301
Japan	50	46
Other countries	634	649
TOTAL CONSOLIDATED	**1,760**	**1,857**

(1) Location by customer

MILLION EURO	2021 Non-current assets [1]	2022 Non-current assets [1]
Europe	267	220
of which related to home market Belgium	184	191
NAFTA	301	266
Latin America	9	5
Asia/Oceania/Africa	54	23
TOTAL	**632**	**513**
All foreign countries		
Germany	33	6
Belgium	183	174
UK	41	28
US	151	114
Canada	148	150
Brazil	6	2
China	29	9
Hong Kong	12	9
Other countries	28	22
TOTAL	**632**	**513**

(1) Excluding deferred tax assets based on the location of the assets.

7. ALTERNATIVE PERFORMANCE MEASURE

Management has presented the performance measures 'Adjusted EBIT' and 'Adjusted EBITDA' because it monitors these performance measures by division and believes that these measures are relevant to an understanding of the financial performance of the Group's operating segments.

'Adjusted EBIT' is the result from operating activities before restructuring and non-recurring items.

'Adjusted EBITDA' is the result from operating activities before depreciation, amortization, restructuring expenses and non-recurring items. Restructuring expenses mainly relate to employee related termination costs. These costs are presented in Other expense (see Note 9.2).

At year-end 2022, non-recurring items amount to 160 million Euro and mainly comprise impairment losses on Goodwill of 70 million Euro (Radiology Solutions), impairment losses on intangible assets of 3 million Euro, impairment losses on Property, Plant & Equipment of 26 million Euro, Impairment losses on Right-of-use Assets of 15 million Euro, strategic transformation projects related costs of 36 million Euro (stand-alone of Offset Solutions and changing the organizational structure into a lean, agile and future-oriented structure), lawyer expenses of 4 million Euro, an exceptional write-down of inventories of 1 million Euro, consultancy expenses on acquisitions and divestitures of 2 million Euro and a negative pension adjustment of 1 million Euro.

At year-end 2021, non-recurring items amount to 13 million Euro and mainly comprise strategic transformation projects related costs of 20 million Euro (stand-alone of Offset Solutions and changing the organizational structure into a lean, agile and future-oriented structure), lawyer expenses of 1 million Euro, an exceptional write-down of inventories of 1 million Euro, an exceptional write-down of unrecoverable balance sheet amounts of 1 million Euro, a provision related to the exit of a leased facility in the US of 1 million Euro, a gain on the sale of assets of 7 million Euro and a positive pension adjustment of 4 million Euro.

The following table gives an overview of the performance of each reportable segment.

Reportable segment	HealthCare IT		Radiology Solutions		Digital Print & Chemicals		Offset Solutions		TOTAL	
MILLION EURO	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**
Segment result (*)	18	18	41	(72)	5	(15)	(16)	(36)	47	(105)
Adjusted EBIT	22	20	38	22	7	(9)	(6)	18	61	50
Adjusted EBITDA	30	27	61	47	19	3	12	36	122	113

(*) Segment result: the profit from operating activities allocated to a reportable segment.

Reconciliation of segment adjusted EBIT to results from operating activities	2021	**2022**
Segment adjusted EBIT	61	50
Adjusted EBIT from operating activities not allocated to a reportable segment: mainly related to 'Corporate Services'	(19)	(19)
Adjusted EBIT	**42**	**31**
Restructuring	(20)	(32)
Non-recurring	(13)	(160)
Results from operating activities	**9**	**(160)**
Reconciliation of adjusted EBIT to adjusted EBITDA		
Adjusted EBIT	**42**	**31**
Depreciation and amortization on Intangible assets and PP&E	34	35
Depreciation right-of-use assets (IFRS 16 impact)	28	28
Adjusted EBITDA	**104**	**94**
Reconciliation of segment adjusted EBITDA to adjusted EBITDA		
Segment adjusted EBITDA	**122**	**113**
Adjusted EBITDA from operating activities not allocated to a reportable segment: mainly related to 'Corporate Services'	(19)	(19)
Adjusted EBITDA	**104**	**94**

8. REVENUE

MILLION EURO	2021	**2022**
Revenue from contracts with customers	1,709	1,806
Revenue from other sources: Cash Flow hedges	1	(5)
Revenue from other sources: Leasing activities	50	56
TOTAL REVENUE	**1,760**	**1,857**

The HealthCare IT and Digital Print & Chemicals divisions posted sales growth excluding currency impact. Mainly due to price increases, Offset Solutions' top line remained stable and Radiology Solutions' medical film business was heavily impacted by the COVID-lockdowns in China.

Due to increased momentum in the second half of the year, the HealthCare IT division's top line increased in North America and Europe versus the previous year. The growth was driven by the revenue recognition from a number of important contracts, as well as a stabilization of recurring revenue.

For Radiology Solutions, stability is expected, with continuous margin pressure for medical film. The progress in Direct Radiography that was recorded in the second half of 2022 is expected to continue. The market driven top line decline for the Computed Radiography business was further amplified by the current geopolitical situation and component shortages. Agfa continues to manage the CR business to maintain healthy profit margins. Following a number of slower quarters, the Direct Radiography business' revenue started to pick up in the second half of the year. Strong sales growth was recorded in ASPAC and LATAM. In a number of countries in those regions, first-of-a-kind installations were realized with several systems, including high-end modalities and the recently introduced VALORY X-ray room. Furthermore, Agfa has taken measures to deal with the post-COVID market volatility. Recently, the DR market saw the entry of several new competitors with low-cost solutions.

In the field of digital print, the top line of the sign & display business grew strongly. The ink product ranges for sign & display applications performed well throughout the year. In spite of industry-wide logistic challenges for the high-end equipment, the wide-format printing equipment business posted solid revenue growth. In the field of industrial inkjet, the décor printing business was impacted by the weakening economic environment, as customers are postponing investments in their digitization process. Volumes for OEM inks decreased due to the lockdowns in China, the unstable geopolitical situation and the weak economic environment.

Mainly due to price increases, Offset Solutions' top line remained stable. The division continued to focus on high-value regions, concentrating on margins rather than volumes. In spite of the lower volumes, the successful implementation of price increases to tackle the overall cost inflation, among others for raw materials, packaging and freight led to top line growth.

8.1 Nature of goods and services

The Group generates revenue from the sale of goods, the rendering of services and offers multiple-element arrangements to customers. Other sources of revenue include rental income from owned and leased equipment under finance leases and immaterial amounts related to hedge accounting.

Revenue from the sale of goods includes the sale of consumables, chemicals, spare parts, stand-alone equipment sales and software licenses. Revenue from the sale of goods are recognized when the customer obtains control of the goods and when it is probable that the agreed transaction price will be collected. In evaluating whether collectability is probable, the entity considers the customer's ability and intention to pay that amount when it is due.

Revenue from the rendering of services includes installation services, maintenance and post-contract support services. Under the IFRS 15 standard, as the customer simultaneously receives and consumes the benefits related to these services, the revenue from rendering of services is recognized over time. In case the Group sells multiple services, the total consideration in service contracts will be allocated to all services based on their stand-alone selling price. The stand-alone selling price will be determined based on the list prices at which the Group sells the services in separate transactions.

The Group moreover enters into multiple-element arrangements with customers whereby several deliverables such as software, licenses, hardware, services and maintenance are combined and offered to the customer. In accordance with IFRS 15, the Group has assessed whether these deliverables qualify as separate performance obligations, based on the criteria of separate identifiability and whether or not the customer can benefit from goods or services on its own or with resources readily available to him. The Group concluded that for arrangements not requiring substantive customization of the software, these criteria were met.

The application of the Group's accounting policy on recognition of revenue with regard to multiple-element arrangements requires judgment from management in allocating the total arrangement fee, including any discounts, to each performance obligation. Changes to the performance obligations in a multiple-element arrangement and the respective value allocated to the performance obligations could materially impact the amount of earned and unearned revenue.

Within the HealthCare IT and Radiology Solutions business segment, the vast majority of the arrangements do not require significant customization or modification. Within the Offset Solutions and Digital Print & Chemicals business segment, equipment sales that require substantive installation activities are recognized when the installation of the equipment is finalized in accordance with the contractually agreed specifications. Under IFRS 15, installation services and equipment are considered highly interrelated and are identified as one performance obligation that will be recognized at a point in time, i.e. at installation at the client's premises.

Within HealthCare IT, the Group has defined standard payment terms which differ between regions based on local practices. Payment terms are kept as short as possible. In Europe, LATAM, NAFTA and ASPAC these payment terms are on average 30 days after invoicing date, except for Southern Europe where these range between 60-90 days after invoicing date.
In other divisions of the Group, payment terms are set based on business and geographical requirements. Deviations from this policy are reviewed by the Credit Committees and approved based on different criteria.

Contract assets related to multiple-element arrangements within the HealthCare IT business amount to 85 million Euro

(2021: 66 million Euro), to 7 million Euro within the Radiology Solutions division (2021: 9 million Euro), and to 3 million Euro within the division of Digital Print & Chemicals (2021: 0 million Euro). There are limited contract assets outstanding within the Offset Solutions division per December 31, 2022 and per December 31, 2021. Contract liabilities related to multiple-element arrangements within the HealthCare IT business amount to 56 million Euro (2021: 58 million Euro), within Radiology Solutions to 26 million Euro (2021: 27 million Euro), within Digital Print & Chemicals to 16 million Euro (2021: 11 million Euro) and within Offset Solutions to 12 million Euro (2021: 16 million Euro).

8.2 Disaggregation of revenue from contracts with customers

The disaggregation of revenue from contracts with customers at December 31, 2022, and December 31, 2021, as required by IFRS 15 can be presented as follows:

MILLION EURO	2022				
	HealthCare IT	Radiology Solutions	Digital Print & Chemicals	Offset Solutions	**TOTAL**
Geographical region					
Europe	71	120	156	336	683
NAFTA	139	58	100	128	425
Latin America	11	54	9	54	128
Asia/Oceania/Africa	23	231	106	261	620
Total revenue by geographical region (destination perspective)	***244***	***462***	***372***	***779***	***1,857***
Revenue by nature					
Revenue from the sale of goods	75	364	330	739	1,508
Revenue from the sale of services	169	98	42	40	349
Timing of recognition					
Revenue recognized at a point in time	75	364	331	739	1,509
Revenue recognized over time	169	98	42	40	349
	2021				
MILLION EURO	HealthCare IT	Radiology Solutions	Digital Print & Chemicals	Offset Solutions	**TOTAL**
Geographical region					
Europe	70	120	145	318	654
NAFTA	119	55	72	103	350
Latin America	9	46	8	44	107
Asia/Oceania/Africa	21	242	104	283	650
Total revenue by geographical region (destination perspective)	***219***	***464***	***330***	***748***	***1,760***
Revenue by nature					
Revenue from the sale of goods	62	370	301	704	1,438
Revenue from the sale of services	157	93	28	43	322
Timing of recognition					
Revenue recognized at a point in time	62	372	302	707	1,443
Revenue recognized over time	157	92	27	41	317

Transaction prices allocated to unsatisfied performance obligations are not disclosed as the contracts have in general original expected durations of one year or less.

8.3 Contract balances

The Group has recognized following revenue-related receivables, contract assets and contract liabilities:

MILLION EURO	2021	2022
Trade receivables	**319**	**300**
Contract assets		
Assets recognized for costs to fulfill contracts	16	25
Goods/services transferred before payment is due	60	70
Contract liabilities		
Deferred revenue	84	81
Advance payments received from customers	19	18
Expected volume discounts - rebates	9	11

At December 31, 2022, contract assets amounted to 94 million Euro (2021 : 76 million Euro). Contract assets primarily relate to the Group's rights to consideration for work performed that is not yet billed. Contract assets are transferred to receivables when the right to payment becomes unconditional. Assets recognized for costs to fulfill contracts comprise all costs that are directly related to a contract such as direct labor, direct materials (WIP balances) and costs that are explicitly chargeable to a customer under a contract. The Group does not capitalize costs to obtain a contract because the amortization period of this asset is less than one year.

At December 31, 2022, contract liabilities amounted to 109 million Euro (2021 : 112 million Euro) and comprise 'Deferred revenue and advance payments received from customers' and accruals for bonuses and rebates to goods and service purchased by customers during 2022.

Deferred revenue comprises amounts invoiced in accordance with contractually agreed terms but unearned, whereas advance payments reflect the amounts paid by customers who have not yet received an invoice and to whom the Company still has to fulfill its commitment, i.e. delivery of goods and/or services. Deferred revenue primarily results from milestone billing in arrangements combining multiple deliverables such as software, hardware, services, (multiple-element arrangements) and from the advance billing of service and maintenance contracts.

8.4 Evolution of contract balances

The following table shows how much of the revenue recognized in the current period relates to the carry forward of contract balances and how much relates to performance obligations that were satisfied in a prior period:

MILLION EURO	Contract assets	Contract liabilities
Opening balance of contract balances	**76**	**112**
Revenue recognized that was included in the contract liability at the beginning of the period	-	(112)
Revenue recognized from performance obligations satisfied in previous periods	-	-
Advance billings to customers during the year	-	135
Advance payments received from customers during the year	-	27
Revenue recognized during the period	-	(60)
Contract assets recognized during the period	175	-
Transfer from contract assets to receivables	(112)	-
Impairment of contract assets	-	-
Contract assets (work in progress) released in Cogs during the period	(49)	-
Change in volume discounts/rebates	-	2
Acquisitions and disposals of business	2	4
Exchange differences	2	1
Closing balance of contract balances	**94**	**109**

9. OTHER OPERATING INCOME AND EXPENSES

9.1 Other operating income

MILLION EURO	2021	2022
Exchange gains and changes in fair value of derivatives	6	5
Finance lease income	6	7
Gains on the sale of property, plant & equipment	8	1
Income from reversal of unutilized provisions	1	4
Past service credits related to pension plans in France	1	-
Gains on freeze and settlement of defined benefit plan in Sweden	5	-
Other income	14	10
TOTAL	**41**	**27**

Finance lease income mainly comprises interest income.
For 2021, gains on the sale of property, plant and equipment relate for 7 million Euro to the sale of our former production site in Leeds (UK), previously classified as held-for-sale (see Note 35).

In 2022, 3 million Euro income from reversal of restructuring provisions has been recognized due to an update of the provision for the reorganization of the Company's IT-department and the partnership with Atos.

The past service credits shown in 2021 are the result of restructuring exercises in France during the year.

In Sweden, the Company has transferred out its pension liabilities in the course of Q1 2021 to an insurance company resulting in a one-time cash-out of 16 million Euro and a one-time gain of 5 million Euro.

9.2 Other operating expenses

MILLION EURO	2021	2022
Restructuring expenses	20	35
Impairment losses on goodwill	-	70
Impairment losses on intangible assets	-	3
Impairment losses on PP&E	-	26
Impairment losses on right-of-use assets	1	15
Exchange losses and changes in fair value of derivatives	10	13
Past service cost 'Jubilee' plan Belgium	2	-
Housing expenses related to empty space	3	4
Other expenses	11	16
TOTAL	**47**	**182**

As a result of the impairment test on goodwill attributable to the cash generating unit Radiology Solutions, an impairment loss amounting to 73 million Euro has been recognized. The full carrying amount of goodwill (70 million Euro) and intangible assets (3 million Euro) has been impaired. More information on the major assumptions used for this impairment test is provided in Note 27.

For the cash-generating unit Offset Solutions, property, plant and equipment and right-of-use assets that could be attributed to the entities that are dedicated to the Offset Solutions activity and are therefore subject to the planned disposal, have been fully impaired. A resulting loss on impairment amounting to 41 million Euro has been recognized, 26 million Euro related to property, plant and equipment and 15 million Euro to right-of-use assets. The expected sale of the Offset Solutions business has been the indication for impairment as the expected consideration receivable is much lower than the carrying amount of the net assets attributable to the disposal group, even after impairment of all non-current assets in scope of IAS36. More information on the impairment of assets attributable to Offset Solutions and how it fits in the total expected loss of the sale transaction is described under section 4 'Use of estimates and judgments'.

For 2021, the impairment loss on right-of-use assets amounting to 1 million Euro related to the termination of a rental contract on a former production site in the US.

In 2022, restructuring plans have resulted in an expense of 35 million Euro. This amount partly resulted from the various transformation actions mainly with regard to the Group's internal financial services impacting a number of positions, mainly in Europe (5 million Euro). Moreover, several activities felt the weakening economic environment, mainly in Europe and China. On top of the transformation actions regarding the Group's IT and financial services, the economic situation thus required further measures for the Group's activities in Radiology Solutions and Digital Print & Chemicals to adapt the cost structure of the Group. In Germany, the production and assembly of some equipment and equipment parts for Computed Radiography has been stopped in 2022. For Direct Radiography, some actions were taken to simplify the operational business model. The aggregate amount of restructuring expenses recognized in 2022 with regard to the measures taken for Radiology amounted to 12 million Euro. Measures taken with regard to the Digital Print & Chemicals business have resulted in a restructuring expense of 2 million Euro.

Other restructuring expenses recognized in the course of 2022 related to individual efficiency/savings initiatives (5 million Euro) and a voluntary leave plan in Belgium for people aged above 60 with a minimum seniority of 15 years: according to this plan, employees could enter during a fix period starting in 2023 into a time credit for 50%, are exempted from daily performance for the part of their working time that they still work for the Company, until their legal retirement or early retirement (the impact at year-end 2022 is estimated at 5 million Euro).

In 2021, the Company has recognized 20 million Euro restructuring expenses, mainly comprising transformation costs for the Group's IT services linked to a decrease of a number of IT-functions within the Group and a collaboration with an external partner Atos, a global leader in digital transformation (14 million Euro). Additionally some restructuring costs have been recognized for the closure of some entities: Ipagsa, a printing plate supplier operating in the low cost business (4 million Euro), the closed production sites in Leeds and Pont-à-Marcq (3 million Euro), offset by a positive impact of 10 million Euro due to the reassessment of the reorganization costs for the factories in Peisenberg and Peiting (Germany). The remainder of the restructuring expenses related to costs for long-term termination benefits resulting from new collective labor agreements (2 million Euro).

'Jubilee' benefits in Belgium relate to travel vouchers granted on 25-, 35-, and 40-year service anniversaries. As per December 31, 2021, they have been valued for the first time, resulting in the recognition of a past service cost amounting to 2 million Euro.

10. NET FINANCE COSTS

MILLION EURO	2021	2022
Interest income		
on bank deposits	2	4
TOTAL INTEREST INCOME	**2**	**4**
Interest expense on financial liabilities measured at amortized cost		
on bank loans	(3)	(4)
on debentures	-	-
TOTAL INTEREST EXPENSE	**(3)**	**(4)**
Other finance income		
Exchange gains on non-operating activities net of changes in fair value of derivative financial instruments not part of a hedging relationship	7	5
Other	3	1
TOTAL OTHER FINANCE INCOME	**10**	**6**
Other finance expense		
Net periodic pension cost treated as other finance income (expense) and interest portion on other interest-bearing provisions [1]	(7)	(9)
Exchange losses on non-operating activities net of change in fair value of derivative financial instruments not part of a hedging relationship	(1)	(2)
Interest expense on derivatives not part of a hedging relationship	(1)	(4)
Interest expense on cash flow hedges	-	-
Interest expense on other receivables	-	(1)
Interest expense for leases	(2)	(2)
Impairment loss on marketable securities	(1)	-
Unwinding of discount on provisions	(1)	-
Exchange differences on disposal of foreign operations reclassified to profit or loss	-	(3)
Other	(3)	(4)
TOTAL OTHER FINANCE EXPENSE	**(16)**	**(26)**
NET FINANCE COSTS	**(8)** [2]	**(19)** [2]
(1) The interest portion of other interest-bearing provisions primarily comprises the allocation of interest on provisions for pre-retirement.		
(2) The above finance income and finance costs include the following interest income and expense in respect of assets (liabilities) not at fair value through profit or loss.		
Total interest income on financial assets	2	4
Total interest expense on financial liabilities	(5)	(6)

11. INFORMATION ON THE NATURE OF EXPENSES

The following table gives an overview of the major expenses/income (incl. subject to restructuring) of the Group's operating result classified by nature:

MILLION EURO	Note	2021	2022
Revenue		**1,760**	**1,857**
Cost of raw materials, goods purchased for resale and production related costs (including changes in inventories)		(739)	(767)
Cost of services and other goods		(340)	(413)
Personnel expenses		(593)	(614)
Amortization and depreciation	27/28/29	(62)	(63)
Impairment losses on goodwill, intangible assets, PP&E and right-of-use assets	9.2	(1)	(114)
Write-downs/write-offs on inventories	32	(11)	(12)
Impairment losses on receivables	22.2	(2)	(1)
Changes in provisions excl. restructuring		-	1
Restructuring expenses	6/7/9	(20)	(32)
Other tax expenses		(13)	(11)
Other expenses		(23)	(26)
R&D tax credits		5	7
Interest income from leasing activities		4	4
Capitalized expenses (projects, assets under construction)		3	4
Gain on the sale of intangible assets and PP&E		8	1
Other income		33	20
Operating result		**9**	**(160)**

Cost of raw materials, goods purchased for resale and production related costs cover all costs incurred to purchase raw materials, goods purchased for resale, spare parts, changes in inventory and all costs that have a clear link to production such as costs for recutting and refurbishing, to the extent reflected in the cost of sales as comprised in profit or loss for the year.
Cost of services and other goods mainly cover:

- the external preliminary work for the processing or manufacturing of products and projects on behalf of the Company;
- transport, freight, duties, storage and handling expenses;
- utilities and energy expenses;
- travel and entertainment;
- expenses from leasing activities.

The increase of these costs was driven by global inflation on energy, raw material, logistics and salary costs.
Personnel expenses in 2022 amounted to 614 million Euro compared to 593 million Euro in 2021 (see also Note 13).
The increase in personnel expenses was also inflation driven and impacted by the acquisition of Inca Digital Printers.
Personnel expense comprises:

- payroll related expenses: wages and salaries and social security contributions;
- expenses for retirement benefits;
- accrued expenses for personnel expenses (such as annual vacation and annual variable payments);
- other personnel expenses (such as temporary staff, training, recruitment and outplacement). Personnel related restructuring expenses are reported as restructuring expenses.

The average number of employees in full-time equivalent heads for 2022 amounted to 6,721 (2021: 7,126). Classified per corporate function, this average comprising permanent and temporary contracts can be presented as follows:

	2021	2022
Manufacturing/Engineering	2,261	2,196
Research and development	844	822
Sales and Marketing/Service	2,614	2,527
Administration	1,408	1,176
TOTAL	**7,126**	**6,721**

12. EARNINGS PER SHARE

12.1 Basic earnings per share / diluted earnings per share

The calculation of earnings per share at December 31, 2022, was based on the profit attributable to owners of the Company of minus 221 million Euro (2021: minus 17 million Euro) and a weighted average number of ordinary shares outstanding during the year ended December 31, 2022, of 156,236,319 (2021: 165,003,570).

Number of shares issued	154,820,528
Own shares (see Note 37.2)	-
Number of outstanding ordinary shares at December 31, 2022 (see Note 37.1)	154,820,528
Effect of options exercised during 2022	-
Effect of stock options on issue	-
Weighted average number of ordinary shares at December 31, 2022	156,236,319

Euro	2021	**2022**
Basic earnings per share / Diluted earnings per share	(0.11)	(1.41)

The average fair value of one ordinary share during 2022 was 3.44 Euro per share.

EMPLOYEE BENEFITS

Employee benefit liabilities

MILLION EURO	December 31, 2021	**December 31, 2022**
Liabilities for post-employment benefits	728	531
Long-term termination benefits	8	5
Liabilities for post-employment and long-term benefit plans	**735**	**536**
Other non-current employee benefits	**11**	**9**
Non-current employee benefit liabilities	747	545
Current employee benefit liabilities	99	95
Total employee benefit liabilities	**846**	**640**

Employee benefit expenses

MILLION EURO	2021	**2022**
Payroll related expenses	463	478
Expenses for retirement benefits included in EBIT	36	44
Accrued expenses for personnel expenses	75	70
Other personnel expenses	19	23
Total employee benefit expenses included in EBIT	**593**	**614**

13. POST-EMPLOYMENT BENEFIT PLANS

The Group provides retirement benefits in most countries in which it operates, mainly through defined contribution plans. In some countries however, the Group organizes its retirement benefits via defined benefit plans. The net defined benefit liability for Belgium, Germany, UK and US together (within Agfa in this context also referred to as 'material countries') represent 98% (2021: 98%) of the total net defined benefit liability of the Group. A major part of these liabilities relates to closed pension plans, meaning that no further benefits are accrued under these plans. This is the case in the UK, the US and for a major part of the German pension plans. In Belgium, the major pension plan – referred to as 'Fabriekspensioenplan' – has been closed to new managers entering as from January 2019.

The following table summarizes the impact of the Group's post-employment benefit plans on its consolidated statements of financial position and profit or loss, broken down into material countries and other countries.

	December 31, 2021			**December 31, 2022**		
MILLION EURO	Belgium/ Germany/UK/US	Other countries	TOTAL	**Belgium/ Germany/UK/US**	**Other countries**	**TOTAL**
Liabilities for post-employment benefits	714	14	728	521	10	531
Assets related to post-employment benefits	(40)	-	(40)	(18)	-	(18)
Net balance sheet position	**674**	**14**	**688**	**503**	**10**	**513**
	98%			98%		

MILLION EURO	December 31, 2021			**December 31, 2022**		
	Belgium/ Germany/ UK/US	Other countries	TOTAL	**Belgium/ Germany/ UK/US**	**Other countries**	**TOTAL**
Defined contribution plans - net premiums and taxes	4	4	8	4	4	9
Post-employment defined benefit plans - current service & administrative cost	24	-	24	19	1	20
Post-employment defined benefit plans - past service cost (gain)	-	(1)	(1)	-	-	-
Post-employment defined benefit plans - loss (gains) on settlements	-	(4)	(4)	-	-	-
Belgian defined contribution plans with return guaranteed by law	9	-	9	15	-	16
Expenses related to post-employment benefits, included in EBIT	**37**	**(1)**	**36**	**39**	**5**	**44**
Net interest cost related to post-employment benefits, including administrative costs of closed DB-plans	**8**	**-**	**8**	**8**	**-**	**8**
Total expenses related to post-employment benefits	**45**	**(1)**	**44**	**47**	**5**	**52**

In Sweden, the Company transferred out its pension liabilities in the course of Q1 2021 to an insurance company resulting in a one-time cash-out of 16 million Euro and a one-time gain of 5 million Euro. The transfer of the Swedish pension plan to an external insurer mainly explains the evolution of the pension liabilities for the Groups non-material countries for the year to December 31, 2021.

The evolution of the pension liabilities for the Group's material countries is explained in section 13.2.

13.1 Defined contribution plans

The Agfa-Gevaert Group companies' contributions to publicly or privately administered defined contribution pension funds or insurance contracts totaled 9 million Euro in 2022 (8 million Euro in 2021) of which 4 million Euro relates to the Group's material countries (4 million Euro in 2021). Once the contributions have been paid, the Group companies have no further payment obligation. The regular contributions constitute an expense for the year in which they are due.

Defined contribution plans in Belgium are for the purpose of the IFRS accounting treatment not considered as defined contribution plans but instead as defined benefit plans. More information on these plans is provided hereafter.

13.2 Defined benefit plans

13.2.1 Belgian defined contribution plans with return guaranteed by law

Belgian 'Defined Contribution' plans are subject to the Occupational Pensions Act of April 2003. In accordance with article 24 of the Occupational Pensions Act, affiliated persons are entitled to a guaranteed return with regard to contributions made by the organizer of the plan and by the employee. Until December 31, 2015, the minimum guaranteed return amounted to 3.25% on employer contributions and of 3.75% on employee contributions.

The Act of December 18, 2015, which entered into force on January 1, 2016, has introduced several amendments to the Act of April 28, 2003. As of January 1, 2016, the guaranteed return is aligned with the percentage (65%) of the average return on June 1 over the last 24 months of Belgian State linear bonds ('OLOs') with a maturity of 10 years, with a minimum of 1.75% and a maximum of 3.75%. As of 2016, the return guaranteed by law is set at 1.75% and applies to both personal contributions made by the employee and contributions made by the employer.

With regard to the application of the guaranteed return in case of modification of the interest rate, the Act of December 18, 2015 introduced the 'horizontal method' applicable for all insured plans which guarantee a fixed return up to the retirement age (so-called Branch 21 insured products) and the 'vertical method' in all other situations. Within our Belgian group companies, all insured pension plans are managed via 'Branch 21' insured products.

The application of the 'horizontal method' is comparable to a fixed-rate term deposit account. The previous interest rate is applicable until exit, retirement or abolition of the pension engagement – whichever occurs first – to the contributions due on the basis of the plan rules before the modification. The new interest rate is then applicable to contributions due on the basis of the plan rules from the modification onwards until the first of the aforementioned occurrences.

Therefore, for all of the Group's defined contribution plans with return guaranteed by law, the minimum return of 3.25% (employer contributions) and 3.75% (employee contributions) still apply for contributions made until December 31, 2015. For these contributions, affiliated persons are entitled to at least a return of 3.25%/3.75% until retirement age (or exit/abolition of the pension engagement). For contributions made as from 2016, the employer is committed to a minimum return of 1.75% until occurrence of retirement age, exit or abolition of the pension engagement.

As insurance companies apply technical interest rates – i.e. agreed interest rates excluding profit-sharing – below the minimum return guaranteed by law, not all actuarial and investment risks relating to these insured plans are transferred to the insurance company managing the plans. Therefore these plans do not meet the definition of defined contribution plans under IFRS and are by default classified and measured as defined benefit plans. In Belgium, the DC-plans comprise pension plans, group insurance plans and bonus pension plans. The net liability at December 31, 2022 amounted to 10 million Euro (2021: 5 million Euro).

The total defined benefit cost for Belgian defined contribution plans recognized in profit or loss for 2022, amounted to 15 million Euro (2021: 9 million Euro) or an increase of 6 million Euro mainly explained by the higher employee bonuses awarded over the 2021 service year and paid into the plan in 2022.

Except for a group insurance plan for managers and executives, all DC-plans are fully financed by employer contributions. In 2022, the annual employer contributions amounted in total to 15 million Euro (2021: 8 million Euro). The Group expects a similar contribution amount in 2023.

13.2.2 Defined benefit plans excluding defined contribution plans with return guaranteed by law

The Group's post-employment defined benefit plans primarily relate to retirement benefits.

The Group Pension Committee, created as a subcommittee of the Executive Committee (Exco) of the Group assists the Exco in the oversight and supervision of the different pension plans and other post-employment arrangements that exist within the Group.

The Committee advises the Exco on benefit plan design matters such as amendment to or termination – in whole or in part – of the benefit plans and their respective funding arrangements. Next to providing advice to the Exco, the Group Pension Committee is also responsible for advising local management – i.e. local management of the pension funds as well as local management of the sponsoring employers of the benefit plans – in fulfilling their responsibilities in relation to pension matters.

The Group Pension Committee has set a strategic asset allocation for its major plans that are financed through a separate pension fund. The committee reviews the asset allocation targets regularly to ensure that they remain appropriate to the pension fund liability profiles. For the management of the plan assets, the Group Pension Committee is assisted by the Group Pension Investment Committee. The Group Pension Investment Committee has issued a Group Investment Guideline which was approved by the Group Pension Committee. The Group Pension Committee monitors the proper application of this guideline.

The Group, through its Group Pension Committee, investigates liability reduction solutions and seeks to de-risk the Group's post-employment benefit liabilities. In recent years, the Group Pension Committee has proposed different measures that have been realized, among which the closure of the 'Fabriekspensioenplan' for new managers entering as from January 2019, the offer in December 2018 to transfer to a third party insurer a certain portion of the benefits built under the Agfa UK Pension Plan and a terminated vested cash-out project for the Agfa Corporation Pension Plan launched in 2018. In 2019, an annuity purchase project has taken place for the pensioners of the Agfa Corporation Pension Plan. In 2020, the de-risking activities continued with a terminated vested cash-out, an annuity placement on retirees and an age 59.5 in-service distributions for the Agfa Corporation Pension Plan.

In 2021, the Agfa UK Pension Plan has bought an annuity buy-in contract backing 70% of the pensioner liabilities of the plan, and in 2022 a second annuity buy-in was completed covering the remaining pensioner liabilities and the majority of the deferred member liabilities. Under these buy-in policies purchased from insurers, an up-front premium is paid by the Scheme at the time of the transaction after which the insurer pays the Scheme the benefits due to members as they fall

due. The income the Scheme receives from the insurers matches the outgoing payment due to members, due to which the Scheme is protected against the risk of having insufficient assets to meet its liabilities in the future. Management of the Group has concluded that the impact of the transaction is to be treated as an asset remeasurement loss with the impact going through Other Comprehensive Income. This conclusion is based on the substance of the transaction being a change in investment strategy. This conclusion is also supported by the decision of both the Group's management and the trustees of the UK pension plan not to buy-out/wind up the plan, at least for the coming four years.
The Group's major defined benefit plans generally provide benefits that are related to an employee's remuneration and years of service. Their characteristics and associated risks are explained in more detail hereafter.

Belgium

In Belgium, the defined benefit obligation relates mainly to 'Fabriekspensioenplan' that is financed through contributions paid to an external Organization for Financing Pensions (OFP). This fund has the duty to foresee the payments of the pensions promised by its participating employers, being Agfa-Gevaert NV, Agfa NV and Agfa Offset BV to the beneficiaries of the plan.

As of January 1, 2019, the 'Fabriekspensioenplan' was closed for new managers of the Group. For the 'Fabriekspensioen', the plan participants are eligible for a benefit based on a last yearly income formula. As this funded pension plan is still open to future accruals and new entrants except for managers, the plan exposes the Company to a salary increase risk, next to an interest rate risk, an investment risk and a longevity risk. Although this plan has been set up as an annuity plan, more than 95% of the members choose to take their benefit as a lump sum pension payment at retirement age.

The legal and regulatory framework for the 'Fabriekspensioenplan' is based on the applicable Belgian law, i.e. the law of October 27, 2006 on the supervision of institutions for occupational retirement provision and the law on supplementary pensions (WAP), applicable as from January 1, 2004. Based on this legislation a funding valuation is prepared annually. The valuation method, used to determine the contributions to the Belgian OFP, is the 'aggregate cost method'.

The contribution, according to the calculation method defined in the financing plan, is expressed as an annual fixed percentage of payroll in order to finance the total service liability. According to the latest actuarial valuation report on the Belgian OFP, dated January 2022, the Long Term Provision funding ratio was 120% (2021: 116.86%).

The Board of Directors of the 'Pensioenfonds Agfa-Gevaert OFP' bears the ultimate responsibility for the management of the assets and liabilities of the 'Fabriekspensioenplan'. They have delegated investment oversight of the plan's assets to the Local Investment Committee who in turn operates within the framework set by the Group Pension Committee. The Statement of Investments Principles (SIP), prepared by the Local Investment Committee in accordance with the Group Investment Guidelines, has been formally ratified at the Extraordinary General Meeting of the 'Pensioenfonds Agfa-Gevaert OFP' on January 31, 2020. The Local Investment Committee needs to ensure that plan assets are invested effectively and prudently, in full compliance with all applicable laws, and for the benefit of plan participants and beneficiaries.

Germany

In Germany, no legal or regulatory minimum funding requirements apply, and as such the Group's German defined benefit retirement plans are all unfunded plans.

The German pension plans include a basic plan related to pension relevant salary up to the Social Security Ceiling (SSC) and a supplementary plan covering benefits attributed on pension relevant salary above the Social Security Ceiling. Additionally, Agfa is obliged to provide pension plans according to the Collective Labor Agreement (CLA) regulation of the Chemical Sector.

In Germany, we have two main pension plans: the 'old pension plan' that was closed to new entries as from 2005 and the 'new pension plan' applicable to employees joining as from 2005. The 'old pension plan' was closed to future benefit accrual as of December 31, 2009 and the participating employees joined the 'new pension plan' for future benefit accrual on enhanced benefit terms. Both plans comprise a basic and a supplementary plan.

Under the 'old pension plan', the basic plan is managed by the Bayer Pensionskasse (Penka). The Bayer Pensionskasse is a multi-employer plan accounted for as if it were a defined contribution plan (IAS 19.34 (a)). The plan is a defined benefit plan under control of the Group's former parent company Bayer AG. It is accounted for as a defined contribution plan as the Group has no right to obtain the necessary data for defined benefit plan accounting. In case of a deficit, this plan may expose the Group to investment and actuarial risk. The Group however considers these risks insignificant. From 2004 onwards, Agfa has been responsible for adjustments to the pension payments processed by the Bayer Pensionskasse in accordance with Sec. 16, 1 and 2 of the German Pension Act (BetrAVG – Betriebsrentengesetz). The base pension including the adjustments processed according to the aforementioned legal regulations up until 2003 are paid by the Penka directly. Consequently, the defined benefit liability disclosed in Agfa's accounts in respect of this basic plan solely relate to the post-2003 adjustments to the pension payments.

The benefits accrued under the supplementary plan are accounted for as a defined benefit plan. They are based on 'contributions'(1) calculated as a fixed percentage of pensionable salary above the SSC. Then, an age independent factor is used for converting those 'contributions'(1) into individual pension entitlements.

The 'new pension plan' includes a basic pension plan, i.e. benefits entitlements on pensionable salary up to the SSC, and a supplementary pension plan accruing benefits on pensionable salary above the SSC. The basic plan is funded through contributions paid to the Rheinische Pensionskasse. Employees contribute to the Rheinische Pensionskasse by deferred compensation. Once the contributions have been paid to the Rheinische Pensionskasse, in principle the group companies have no further payment obligation. This plan is consequently accounted for as a defined contribution plan. The new supplementary plan, which is accounted for on the balance sheet as a direct pension commitment, has no upper ceiling for pensionable salary.

The benefits accrued under the supplementary plan are based on 'contributions'(1) calculated as a fixed percentage of pensionable salary above the SSC. In contrast to the old pension plan, 'contributions'(1) to the new supplementary pension plan are then converted into pension entitlements based on age-dependent pension factors and considering a pre-determined annual increase of those entitlements. As of 2012, the plan introduced an option to pay out lump sums instead of monthly pension payments.

Employees who participated in the 'old pension plan' when it was closed to future accrual as of December 31, 2009, receive supplementary pension entitlements based on a matching 'fifty-fifty' approach meaning that the employer pays contributions to the extent of the employee contributions. The structure itself is similar to the new supplementary pension plan as described above.

The pension plan according to the CLA of the Chemical Sector is based on 'contributions'(1) that are converted into individual pension entitlements using age-dependent pension factors. Employees also contribute to this plan by deferred compensation.

In Germany, Agfa has a number of smaller plans from previous corporate acquisitions. These plans are all closed to future benefit accrual.

The defined benefit liability in Germany also includes pension plans that are fully based on deferred compensation models. The benefits accrued under these plans are based on the annually deferred compensation amount of each beneficiary converted into pension entitlements and in some cases additionally considering a pre-determined annual increase of those entitlements.

For HealthCare IT employees, there are pension plans managed by different external funds (Pensionskassen). These plans are mainly financed by deferred compensation models and are accounted for as defined contribution plans. Additionally, top management of Agfa HealthCare IT in Germany is provided with a salary related pension scheme, processed by a congruently funded multi-employer plan (kongruent rückgedeckte Unterstützungskasse).

The different defined retirement benefit plans expose the Company to actuarial risks such as interest rate risk, pension indexation risk and longevity risk.

The expense for the German defined contribution plans is included in the amount disclosed in Note 13.1 with regard to the Group's material countries.

(1) 'Contributions' in this context means a calculation base which is used to finally determine the pension entitlements.

UK

As from 2010, the Agfa UK Pension Plan has been fully closed. As from 2022, its participating employer is limited to Agfa-Gevaert NV (previously also Agfa HealthCare UK Ltd and Agfa Graphics Ltd). The plan members are eligible for a benefit based on a final average pay formula. From the age of 55, benefits accrued under this plan can be paid partly in cash with the remainder paid in monthly payments.

If the benefit is taken before the normal retirement age of 65 there is an actuarial reduction of the benefit's value. Deferred plan members are entitled to an inflation increase, based on CPI (Consumer Price Index), of their accrued benefits until retirement payments are taken.

Pension payment increases are generally in line with RPI (Retail Price Index) with a minimum increase of 3% and a maximum increase of 5%. Next to inflation risk, the frozen defined benefit plan exposes the Company to actuarial risks such as investment risk, interest rate risk and longevity risk.

The defined benefit plan is governed by a benefit trust whose decision making body is a Board of Trustees. They have a fiduciary duty to act solely in the best interests of the beneficiaries according to the trust rules and UK law.

In 2021, the Agfa UK Pension Plan entered into an annuity buy-in contract backing 70% of the pensioner liabilities of the plan. To support this de-risking activity the Group made a contribution of 90 million Pound Sterling (105 million Euro) to the plan in 2021, effectively bringing forward the contributions expected under the agreement with the trustees. In 2022, the Agfa UK Pension Plan entered into a second annuity buy-in contract covering the liabilities of the remaining pensioners and substantially all deferred members. The liabilities in respect of plan members with small pensions, whose benefits are expected to be paid out as a lump sum as in due course remain uninsured.

The required funding is determined by a funding valuation carried out every three years based on legal requirements and funding valuation assumptions that meet the UK regulatory body's current requirements and are also agreed between the Company and the Trustees. The last full actuarial valuation was undertaken in April 2021, following the payment of the aforementioned 90 million Pound Sterling by the Company. The funding position in April 2021 showed that the Plan had a funding surplus relative to the Plan's statutory funding objective end projections since this data shows that this remains the case. Therefore, no further deficit reduction contributions are required as part of the March 31, 2021 actuarial valuation. There was a valuation update on March 31, 2022 and a further annual update will be due as at March 31, 2023. The next full valuation will be undertaken as at March 31, 2024. Following the latest valuation update on March 31, 2022, the Scheme Actuary confirmed that no member contributions or sponsor contributions for new benefits are due to be paid to the Plan.

US

As from 2009, the Agfa Corporation Pension Plan has been fully closed. Agfa Corporation, Agfa HealthCare Corporation, Agfa Materials Corporation, Agfa Finance Corporation and Agfa US Corporation are participating employers in this pension plan.

The plan participants are eligible for a benefit based on a final average pay formula. This frozen defined benefit plan exposes the Company to actuarial risks such as investment risk, interest rate risk and longevity risk.

The defined benefit plan assets are held in a trust. The Board of Directors of Agfa Corporation, the plan sponsor, delegate investment decisions and oversight of the plan's assets to a local investment committee, the Benefits Plan Investment Committee (BPIC). The BPIC members have a fiduciary duty to act solely in the best interests of the beneficiaries according to the trust agreement and US law. The legal and regulatory framework for the plan is based on the applicable US legislation Employee Retirement Income Security Act (ERISA). Based on this legislation a funding valuation is prepared annually.

The plan sponsor and participating employers contribute such amounts as are deemed necessary on an actuarial basis to provide sufficient funds to meet the benefits to be paid to plan members. Minimum contributions are based on the requirements prescribed by the provisions of the Employee Retirement Income Security Act (ERISA) of 1974 and the Pension Protection Act of 2006 (PPA). Pursuant to the PPA, each year the actuary is required to certify the plan's funded percentage. The 2022 funding percentage is 109.97% (2021: 102.91%) and was certified in March 2023.

13.2.3 Evolution net defined benefit liability and its components

The following three tables show a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components.

Evolution net defined benefit liability during 2021 and 2022

MILLION EURO	2021			**2022**		
	Retirement plans (excl. Belgian DC-plans)	Belgian DC-plans with return guaranteed by law	TOTAL	**Retirement plans (excl. Belgian DC-plans)**	**Belgian DC-plans with return guaranteed by law**	**TOTAL**
Net liability at January 1	**900**	**9**	**909**	**670**	**5**	**674**
Defined benefit cost included in profit or loss	32	9	41	28	15	44
Total remeasurements included in OCI	(88)	(6)	(94)	(150)	5	(145)
Net transfer in/(out), including impact of business combinations and divestitures	-	-	-	(2)	-	(2)
Cash flows						
Employer contributions	(138)	(8)	(146)	(16)	(15)	(31)
Benefits paid directly by the company	(40)	-	(40)	(39)	-	(39)
Currency effects: charge (or credit)	4	-	4	2	-	2
Net liability at December 31	**670**	**5**	**674**	**493**	**10**	**503**

The employer contributions for 2021 were impacted by one-time payments for the UK (105 million Euro in 2021) and Belgium (9 million Euro in 2021).

The net transfer out relates to the outsourcing of the Group's Information and Communications Services (including transferring employees and the associated pension liabilities) to Atos during 2022.

Defined benefit costs for 2021 and 2022

MILLION EURO	2021			**2022**		
	Retirement plans (excl. Belgian DC-plans)	Belgian DC-plans	TOTAL	**Retirement plans (excl. Belgian DC-plans)**	**Belgian DC-plans**	**TOTAL**
Service cost						
Service cost, exclusive of employee contributions	23	9	32	18	15	33
Past service cost	-	-	-	-	-	-
(Gain) loss on settlements	-	-	-	-	-	-
Total service cost	**23**	**9**	**32**	**18**	**15**	**33**
Net interest cost						
Interest expense on DBO	20	2	22	25	2	27
Interest (income) on plan assets	(13)	(2)	(14)	(17)	(2)	(20)
Total net interest cost	**7**	**-**	**7**	**8**	**-**	**7**
Administrative expenses and taxes	2	-	2	2	-	3
DEFINED BENEFIT COST INCLUDED IN PROFIT OR LOSS	**32**	**9**	**41**	**28**	**15**	**44**
Actuarial losses (gains)						
Experience losses (gains) on plan liabilities	(21)	(4)	(25)	45	(14)	31
Demographic assumptions	(3)	-	(3)	-	1	1
Financial assumptions	(77)	(6)	(83)	(463)	(37)	(500)
Return on plan assets excl. Interest income	13	4	17	268	56	323
Total remeasurements included in OCI	**(88)**	**(6)**	**(94)**	**(150)**	**5**	**(145)**
TOTAL DEFINED BENEFIT COST RECOGNIZED IN PROFIT OR LOSS AND OCI	**(57)**	**4**	**(53)**	**(122)**	**20**	**(102)**

The total defined benefit credit recognized in profit or loss and Other Comprehensive Income (OCI) for 2022 for the Group's material countries amounted to 102 million Euro (2021: credit of 53 million Euro). Of this amount, 44 million Euro expense is reflected in the Group's Consolidated Statement of Profit or Loss over 2022 (2021: 41 million Euro expense). The balance, being a credit of 145 million Euro for 2022 (a credit of 94 million Euro for 2021) is reflected in OCI under 'Remeasurements of the net defined benefit liability'. These remeasurements originate from experience gains on plan liabilities, changes in demographic and financial assumptions as well as from experience adjustments on the fair value of assets. The gains due to changes in financial assumptions in 2022 are principally due to the increase in the discount rate over the year.

Evolution defined benefit obligation, fair value of assets and funded status during 2021 and 2022

The defined benefit obligation, plan assets and funded status for the Group's material countries are shown below.

	2021			**2022**		
MILLION EURO	Retirement plans (excl. Belgian DC-plans)	Belgian DC-plans with return guaranteed by law	TOTAL	**Retirement plans (excl. Belgian DC-plans)**	**Belgian DC-plans with return guaranteed by law**	**TOTAL**
Change in defined benefit obligation						
Defined benefit obligation at January 1	1,863	198	2,061	1,767	191	1,959
Service cost						
Current service cost, exclusive of employee contributions	23	9	32	18	15	33
Past service cost	-	-	-	-	-	-
(Gain)/loss on settlements	-	-	-	-	-	-
Interest expense	20	2	22	25	2	27
Cash flows						
Benefit payments	(79)	(8)	(87)	(92)	(16)	(108)
Employee contributions	-	-	-	-	-	-
Premiums Paid	-	-	-	-	-	-
Increase (decrease) due to transfers, including impact of business combinations and divestitures	-	-	-	(15)	(8)	(23)
Remeasurements						
Effect of changes in demographic assumptions	(3)	-	(3)	-	1	1
Effect of changes in financial assumptions	(77)	(6)	(83)	(463)	(37)	(500)
Effect of experience adjustments	(21)	(4)	(25)	45	(14)	31
Currency effects: charge (or credit)	42	-	42	(15)	-	(15)
Defined benefit obligation at December 31	**1,767**	**191**	**1,959**	**1,270**	**134**	**1,404**
Change in plan assets						
Fair value of assets at January 1	963	189	1,152	1,098	187	1,284
Interest income	13	2	14	17	2	20
Employer contributions	178	8	186	55	15	70
Employee contributions	-	-	-	-	-	-
Benefit payments	(79)	(8)	(87)	(92)	(16)	(108)
Administrative expenses and taxes	(2)	-	(2)	(2)	-	(3)
Premiums Paid	-	-	-	-	-	-
Increase (decrease) due to transfers, including impact of business combinations and divestitures	-	-	-	(14)	(8)	(22)
Return on plan assets (excluding interest income)	(13)	(4)	(17)	(268)	(56)	(323)
Currency effects: (charge) or credit	38	-	38	(17)	-	(17)
Fair value of assets at December 31	**1,098**	**187**	**1,284**	**777**	**124**	**901**
Funded status at December 31						
Funded status	670	5	674	493	10	503
Effect of asset ceiling/onerous liability	-	-	-	-	-	-
Net liability (asset) at December 31	**670**	**5**	**674**	**493**	**10**	**503**

At December 31, 2022, the total defined benefit obligation for the Group's material countries, excluding defined contribution plans with return guaranteed by law, amounted to 1,270 million Euro (1,767 million Euro at December 31, 2021). Of this amount, 789 million Euro (1,088 million Euro at December 31, 2021) is related to wholly or partly funded plans and 481 million Euro (679 million Euro at December 31, 2021) is related to unfunded plans.

At December 31, 2022, the financing deficit for the Belgian defined contribution plans with guaranteed return amounted to 10 million Euro (5 million Euro at December 31, 2021). The net pension liability for these plans is calculated as the difference between the present value of the defined benefit obligation (DBO) amounting to 134 million Euro (191 million Euro at December 31, 2021) and the fair value of the plan assets amounting to 124 million Euro (187 million Euro at December 31, 2021).

13.2.4 Defined benefit obligation - Principal actuarial assumptions at the reporting date

The liabilities and defined benefits cost of the Group's retirement plans are determined using actuarial valuations that involve several actuarial assumptions. At the end of the reporting periods 2021 and 2022, the following principal actuarial assumptions (weighted averages) have been used:

	December 31, 2021	**December 31, 2022**
Discount rate	1.42%	4.33%
Price inflation	2.18%	2.36%

The above stated average discount rates and price inflation rates have been determined based on the actuarial assumptions applied in the different defined benefit plans of the Group's material countries weighted by the defined benefit obligation of the respective plan.

The weighted average price inflation relates to Belgium, Germany, and the UK (RPI). Inflation over the year 2022 was included in the base data used for the actuarial calculations and is therefore not reflected in the evolution of price inflation compared to last year.

The discount rates used are determined by reference to the rates available on high-quality corporate bonds, that have a credit rating of at least AA from a main rating agency, and that have maturity dates approximating the terms of the Group's obligations.

Weighted average duration

The Group has consistently calculated the weighted average duration by taking the average of the durations obtained via sensitivities on the discount rate for the retirement plans of the Group's material countries. At December 31, 2022, the weighted average duration is 10.3 years (13.2 years at December 31, 2021).

Sensitivity analysis

The following information illustrates the sensitivity to a change as at December 31, 2022 in certain assumptions for the retirement plans of the Group's material countries.

MILLION EURO	**Effect on December 31, 2022 Defined benefit obligation**
50 bp decrease in discount rate	72
50 bp increase in discount rate	(66)
25 bp decrease in price inflation assumption	(17)
25 bp increase in price inflation assumption	18
Change in mortality table, assuming employees live one year longer	35
Change in mortality table, assuming employees live one year shorter	(33)

(1) It is assumed that if the inflation rate increases / decreases, then so do other assumptions that are linked to the inflation rate, such as salary increases and increases to pensions in payment.

13.2.5 Plan assets

Fair value of assets, split by major asset class

For the Group's material countries, plan assets comprise following major asset classes:

MILLION EURO	December 31, 2021	December 31, 2022
Cash, cash equivalents and other	75	28
Equity instruments	124	121
Debt instruments	587	297
Investment funds	61	-
Assets held by insurance company (1)	437	455
TOTAL	**1,284**	**901**

(1) Mainly Belgian DC-plans with return guaranteed by law, and the annuity buy-in contracts in the UK.

The de-risking activity in the UK in 2021 included the purchase of an annuity buy-in contract backing 70% of the pensioner liabilities (239 million Euro at December 31, 2021), as well as a change in the investment strategy for the plan to include LDI investment funds to better match the UK-plan liabilities and reduce interest rate and inflation risks. In 2022, the de-risking activity in the UK included the purchase of an annuity buy-in contract such that the buy-in policies held by the UK plan now cover all pensioner members and substantially all deferred members (319 million Euro at December 31, 2022).

For the equity and debt instruments the Group applies a passive or semi-passive management (index tracking).

At 2021 and 2022 year-ends, the fair value of assets does not comprise equity or debt instruments of the Company or its subsidiaries.

13.2.6 Expected defined benefit costs and cash flows for 2023

For 2023, the Group expects for the defined benefit plans of its material countries a total defined benefit cost in profit or loss of 48 million Euro, comprising of 27 million Euro service cost (of which 13 million Euro related to defined contribution plans in Belgium), 2 million Euro administrative expenses and taxes and 20 million Euro net interest costs.

During the 2023 fiscal year, the Group expects to contribute 15 million Euro to its material funded retirement plans (compared to 16 million Euro in 2022). This amount excludes the estimated contribution payments for the defined contribution plans in Belgium amounting to 15 million Euro (2022: 15 million Euro). Additionally, the Group expects to make direct benefit payments totaling 39 million Euro to beneficiaries of its material unfunded retirement plans (compared to 39 million Euro in 2022).

The estimated contributions and benefit payments as well as the defined benefit cost for the Group's defined benefit plans comprise the cashflows and defined benefit cost for the Offset Solutions division, estimated to amount for 5 million Euro respectively 3 million Euro on a full year basis.

14. LONG-TERM TERMINATION BENEFITS

Long-term termination benefits result from the Group's commitment to either terminate the employment before the normal retirement date or provide termination benefits as a result of an offer made to encourage voluntary redundancy. At December 31, 2022, long-term termination benefits amounted to 5 million Euro (8 million Euro at December 31, 2021) and mainly relate to severance payments in connection with early retirement arrangements with employees of the Group's Belgian entities.

15. SHARE-BASED PAYMENT TRANSACTIONS

In the course of 2020, the Board of Directors has appointed Mr. Pascal Juéry as CEO of the Agfa-Gevaert Group and Managing Director. Mr. Juéry is eligible for a long-term variable compensation, embedded in a Stock Appreciation Rights Plan that can result in an additional cash bonus.

The key components of the Stock Appreciation Rights Plan are the following:

- Over a period of five years, commencing on February 1, 2020, Mr. Juéry will annually receive 200,000 Stock Appreciation Rights;
- The strike price for these Stock Appreciation Rights has been set for the year 2020 at 4.75 Euro (to be adjusted downwards for any dividend distribution). As of 2021, the strike price is depending on the average closing price of the Agfa-Gevaert share during the 30 days preceding the grant date. The strike price for this second tranche was 3.7793 Euro, and for the third tranche was 3,6 Euro. At December 31, 2022, the total outstanding stock appreciation rights amount to 600,000; 200,000 at strike price of 4.75 Euro, 200,000 at strike price of 3.7793 Euro and 200,000 at strike price of 3,6 Euro;
- The Stock Appreciation Rights will vest for one/third of each grant at the end of each calendar year over three years;
- The Stock Appreciation Rights can be exercised at the earliest three years after grant.

The fair value of the Stock Appreciation Rights Plan is calculated using a Black & Sholes model with expected life of 10 years for the first two tranches and with an expected life of five years for the third tranche and is presented as a liability with corresponding changes in fair value recognized in profit or loss (2022: -0.1 million Euro; 2021: -0.3 million Euro).

In the course of 2021 and 2022, a long-term variable compensation, embedded in a Stock Appreciation Rights Plan that can result in an additional cash bonus, was granted to key personnel members of the Group.

The key components of this Stock Appreciations Rights Plan are the following:

- At March 9, 2021 an amount of 830,000 Stock Appreciation Rights have been granted to key member personnel. The outstanding Stock Appreciation Rights at December 31, 2022 amount to 665,000;
- The strike price of these Stock Appreciation Rights have been set at 3.7793 Euro;
- The Stock Appreciation Rights will vest for one/third of each grant at the end of each calendar year over three years;
- The Stock Appreciation Rights can be exercised at the earliest three years after grant.

- At March 9, 2022 an amount of 1,397,000 Stock Appreciation Rights have been granted to key member personnel. The outstanding Stock Appreciation Rights at December 31, 2022 amount to 1,332,000;
- The strike price of these Stock Appreciation Rights have been set at 3.6 Euro;
- The Stock Appreciation Rights will vest for one/third of each grant at the end of each calendar year over three years;
- The Stock Appreciation Rights can be exercised at the earliest three years after grant.

The fair value of the Stock Appreciation Rights Plan is calculated using a Black & Sholes model with expected life of five years and is presented as a liability with corresponding changes in fair value recognized in profit or loss (2022: -0,2 million Euro; 2021: -0.3 million Euro).

The total liability related to the share appreciation rights amounts to 1 million Euro at December 31, 2022.

16. OTHER EMPLOYEE BENEFITS

The split between long-term and short-term employee benefits is presented in the table below:

MILLION EURO	2021	**2022**
Long-term employee benefits	11	9
Short-term employee benefits		
Liabilities for social expenses	20	19
Payroll liabilities	3	4
Other short-term liabilities	76	72
TOTAL	**110**	**105**

Long-term employee benefits comprise a long-term disability plan in the US, the plans 'Jubilee' and 'Pensionsurlaub' in Germany, 'Jubilee' benefits in Belgium and some other long-service leave and service awards.
At December 31, 2022, these amounted to 9 million Euro (11 million Euro at December 31, 2021).

Other short-term employee benefits comprise liabilities set up for all commitments relating to the workforce in the broadest sense such as accruals for vacation entitlements and flexi-time surpluses, continuation of wage and salary payments in the event of sickness amounts payable within 12 months, short-term disability benefits, accruals for bonuses of all kinds, payments under profit-sharing plans.

TAXES

17. INCOME TAXES

The Group is subject to income taxes in numerous jurisdictions. Uncertainties exist with respect to the interpretations of complex tax regulations in the respective countries. The Group establishes accruals for anticipated tax audit issues based on reasonable estimates of whether additional taxes will be due, considering various factors such as experience with previous tax audits and differing legal interpretations by the taxable entity and the responsible tax authority.
Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate adjustments to tax income and expense in future periods. The Group is closely following up on tax developments at OECD (Pillars 1 and 2), EU (Pillar 2, BEFIT, others) as these measures may have an impact on the tax position in the longer term.

The breakdown of the income tax expenses by origin is as follows:

MILLION EURO	2021	**2022**
Taxes paid or accrued	20	31
Related to this year	23	28
Related to prior years	(3)	3
Deferred tax expense (income)	(5)	12
From temporary differences	(2)	-
From tax loss carryforwards and tax credits	(3)	12
Income tax expense	**15**	**42**

Current tax expenses have increased from 20 million Euro in 2021 to 31 million Euro in 2022. This is mainly explained by changes in the Group structure, such as separate entities created in preparation of the divestment for the Offset division, which realized taxable profits.
Deferred tax income of 5 million Euro in 2021 has evolved to a deferred tax expense of 12 million Euro in 2022. This is mainly the result of a valuation loss on deferred tax assets recognized in previous years relating to the Offset activities which are no longer expected to be recoverable.
Further information on the major components of tax expense (income) is provided in the table reflecting the reconciliation between the theoretical tax rate and the effective tax rate in Note 17.3.2.

17.1 Current income tax assets and liabilities

At December 31, 2022, current income tax assets amount to 56 million Euro (2021: 63 million Euro), of which 80% relates to the refund of R&D tax credits.
Current income tax liabilities amount to 29 million Euro (2021: 28 million Euro), of which 16 million Euro (2021: 17 million Euro) relates to uncertain tax positions. From these uncertain tax positions 8 million Euro is relating to ongoing tax audits, procedures and litigations in various jurisdictions (2021: 9 million Euro). Another 7 million Euro is relating to potential discussions in respect of transfer pricing. Although the Group is confident that all of its intragroup dealing are at arm's length and documented, transfer pricing is a topic that continues to trigger scrutiny from tax authorities worldwide. Some discussions may lead to double taxation, whereby the outcome of mutual agreement procedures or other procedures might still have a negative effect on the tax expense.
Current income tax for current and prior periods are, to the extent unpaid, recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.
Current income tax assets are offset against current income tax liabilities when they relate to taxes levied by the same taxation authority and are intended to be settled on a net basis.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors as explained above.

17.2 Deferred tax assets and liabilities

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carry-forward of unused tax losses and the carry-forward of unused tax credits.

Deferred tax assets are recognized where it is sufficiently probable that taxable income will be available in the future to enable the deductible temporary differences, tax loss carry forwards and tax credits to be utilized.

The Group's management regularly assesses the recoverability of its deferred tax assets, mainly based on the long-term business plans for the divisions HealthCare IT, Radiology Solutions, Digital Print & Chemicals and Offset Solutions and considering historical profitability and projected future taxable income of the individual consolidated entities that are involved. Other parameters such as the expected timing of the reversals of existing temporary differences and tax planning strategies are considered as well in this assessment. Material changes to business plans and/or business (goods and services) flows impacting the taxable profit or loss of certain entities of the Group may influence the realization of deferred tax assets. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate reversing certain deferred tax assets resulting in an increase of the Group's effective tax rate.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets and deferred tax liabilities are offset if they relate to income taxes levied by the same taxation authority.

Deferred tax assets and liabilities are attributable to the following items:

	December 31, 2021			**December 31, 2022**		
MILLION EURO	Assets	Liabilities	Net	**Assets**	**Liabilities**	**Net**
Intangible assets and goodwill	27	2	25	29	1	28
Property, plant and equipment	11	8	3	3	6	(3)
Right-of-use assets	-	17	(17)	-	15	(15)
Investments in associates and non-current financial assets	-	3	(3)	-	3	(3)
Inventories	20	4	17	14	-	14
Receivables	1	3	(1)	1	3	(2)
Provisions and liabilities for post-employment benefits	39	3	36	19	4	15
Lease liabilities	18	-	18	14	-	14
Other current assets and other liabilities	8	7	1	6	2	4
Deferred tax assets and liabilities related to temporary differences	**124**	**46**	**78**	**87**	**35**	**52**
Tax loss carry-forwards	38		38	27	-	27
Excess tax credits	1		1	3	-	3
Deferred tax assets/liabilities	**164**	**46**	**118**	**117**	**35**	**82**
Set off of tax	(40)	(40)	-	(26)	(26)	-
Net deferred tax assets/liabilities	**124**	**6**	**118**	**91**	**9**	**82**

The movement in temporary differences during 2021-2022 is disclosed in Note 17.4.

At December 31, 2022, the Group has a net deferred tax asset position of 82 million Euro (2021: 118 million Euro).
More than half of this balance relates to the HealthCare IT division, mainly linked to tax attributes and R&D related temporary differences in key jurisdictions. None of these attributes or differences are subject to expiration.
The Group believes it is probable that these recognized deferred tax assets on HealthCare IT are recoverable by 2030, taking into account the negative impact of newly enacted legislation in Belgium (whereby the annual utilization of certain tax attributes is restricted to 1m€ increased with 40% on the excess, theoretically resulting in a minimum effective tax cash rate of 15%) in anticipation of the implementation the OECD Pillar 2 rules. Without this impact, the Group expects these assets to be recoverable by 2028.
Other major deductible temporary differences and resulting deferred tax asset positions relate to defined benefit plans in Germany, mostly related to active employees.

97% of the Group's tax losses is concentrated in seven entities in Belgium, US and Germany and only for 6% of the total tax loss a deferred tax asset has been recognized.
Deferred tax assets have not been recognized in respect of 'tax loss carry forwards,' 'tax credits' and 'temporary differences' for the amounts stated hereafter because it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from:

- tax loss carry-forwards: 403 million Euro (2021: 373 million Euro);
- tax credits: 17 million Euro (2021: 17 million Euro);
- temporary differences: 149 million Euro (2021: 158 million Euro).

The deferred tax asset impact on unused temporary differences, tax losses and tax credits expires as follows

MILLION EURO	Temporary differences	Tax losses	Tax credits	TOTAL
Expiry in:				
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-
2026	-	-	-	-
after	-	38	-	38
No expiry	149	363	17	529
TOTAL	**149**	**401**	**17**	**567**

17.3 Relationship between income tax expense and profit (loss) before income taxes

17.3.1 Summary 2021 and 2022

MILLION EURO	2021	2022
Profit (loss) before income taxes	1	(181)
Income tax expense	15	42
Tax rate	-	-23.37%

17.3.2 Reconciliation of effective tax rate 2021 and 2022

MILLION EURO	2021	2022
Profit (loss) before income taxes	1	(181)
Theoretical income tax expense (income)	1	(45)
Theoretical tax rate (1)	**129.17%**	**24.77%**
Disallowed items	7	9
Impact of tax credits and other deduction from tax basis	(5)	(1)
Tax losses of the year for which no deferred tax asset has been recorded	41	34
Tax losses used this year for which no deferred tax asset was recorded	(2)	(3)
Tax expense/(income) recorded on losses of previous years	(5)	3
Prior year adjustments	2	3
Tax expense/(income) due to movement in deductible temporary differences for which no deferred tax asset was recorded	(24)	-
Withholding taxes	1	3
Impairments on goodwill and other assets for which no deferred tax asset has been recorded	-	21
Valuation loss on previously recognised deferred tax assets on temporary differences	-	15
Impact of adjustment in deferred tax rates	-	2
Other	(3)	1
Income tax expense	**15**	**42**
Effective tax rate		**-23.37%**

(1) The theoretical tax rate is the weighted average tax rate of the Company and all subsidiaries included in the consolidation.

17.4 Movement in temporary differences during 2021-2022

MILLION EURO	December 31, 2020	Change in accounting policies	PPA Adjustments (see Note 19)	Change in consolidation scope	Recognized in profit or loss	Recognized in other comprehensive income	Translation reserves	December 31, 2021	Change in consolidation scope	Recognized in profit or loss	Recognized in other comprehensive income	Translation reserves	**December 31, 2022**
Intangible assets and goodwill	24	-	-	-	2	-	-	25	-	1	-	1	28
Property, plant and equipment	2	-	-	-	-	-	-	2	-	(6)	-	-	(3)
Right-of-use assets	(20)	-	-	-	3	-	(1)	(17)	-	2	-	-	(15)
Investments in associates and non-current financial assets	(3)	-	-	-	-	-	-	(3)	-	-	-	-	(3)
Inventories	17	-	-	-	(1)	-	-	17	-	(1)		(1)	14
Receivables	-	-	-	-	(1)	-	-	(1)	-	-	-	-	(2)
Provisions and liabilities for post-employment benefits	39	-	-	-	2	(6)	1	36	-	2	(23)	-	15
Lease liabilities	20	-	-	-	(3)	-	1	18	-	(3)	-	-	14
Other current assets and other liabilities	(2)	-	-	-	-	2	1	1	(1)	6	-	(1)	4
Deferred tax assets and liabilities related to temporary differences	**78**	**-**	**-**	**-**	**2**	**(4)**	**2**	**78**	**(2)**	**-**	**(23)**	**(1)**	**52**
Tax loss carry-forwards	37	-	-	-	2	-	(1)	38	-	(11)	-	-	27
Excess tax credits	2	-	-	-	1	-	-	3	-	(1)	-	-	3
Deferred tax assets/liabilities	**116**	**-**	**-**	**-**	**5**	**(4)**	**1**	**118**	**(2)**	**(12)**	**(23)**	**(1)**	**82**

The deferred tax asset on provisions and liabilities for post-employment benefits which is recognized in other comprehensive income is related to the remeasurements of the net defined benefit liability (IAS 19R). These deferred tax assets decreased significantly in 2022 as a result of the increase in discount rates (see Note 13).

18. OTHER TAXES

Other tax receivables amount to 28 million Euro (2021: 19 million Euro) and other tax liabilities amount to 32 million Euro (2021: 28 million Euro).

Other tax receivables and liabilities relate to other tax, such as VAT and other indirect taxes.

Other tax receivables are offset against other tax liabilities when they relate to taxes levied by the same taxation authority, there is a legal right to offset and are intended to be settled on a net basis.

ACQUISITIONS AND DISPOSALS

19. ACQUISITIONS

19.1 Acquisitions 2022

On June 1, 2022, the Agfa Group acquired Inca Digital Printers. The acquisition encompassed the portfolio of existing high speed multi pass printers, including a strong service organization, a newly designed line of single pass printers for several packaging applications, as well as a joint development of a customized in-line Print Engine in collaboration with leading corrugator manufacturer BHS Corrugated.

Inca Digital Printers is a Cambridge UK based leading developer and manufacturer of advanced high-speed printing and production technologies for sign & display applications, as well as for the rapidly growing digital printing market for packaging. Inca is an ideal partner for Agfa, bringing a complementary portfolio of printing solutions of the highest standard and a strong technological platform to launch robust single pass printing presses for the packaging market.

The acquisition comprised a share-deal of 100% of the shares of two UK based companies, an asset deal of the US business and the purchase of assigned intellectual property. The purchase price amounts to 54 million Euro.

Intangible assets identified relate to trademarks, being the brandnames Inca and Onset; the technological IP, being the onset multi-pass technology which have both been valued using the relief from royalty method. Technological IP rights will be amortized over a period of seven years. The brandnames will be amortized over an estimated useful life of six years. The acquired 'assigned intellectual property' will be amortized over a period of ten years. The goodwill on acquisition (2 million Euro) mainly relates to operating synergies and workforce. The goodwill is not expected to be deductible for tax purposes.

Inventories have been valued at fair value being the estimated selling price in the ordinary course of business less estimated costs of completion and sale and a reasonable profit margin based on the effort required to sell the inventory.

The amounts of revenue of the acquiree from acquisition date amount to 18 million Euro and the net loss amounts to 5 million Euro. This loss was in line with management expectations and was triggered by a decision to shift Inca printers to Agfa inks, for which first sales will be recognized in 2023. In addition, due to the fact that the acquired inventories have been valued at fair value less costs to sell, no margin has been realized on these sales. Management strongly believes that the Inca acquisition will create new growth opportunities.

Acquisition related costs were immaterial.

The gross contractual amount of the receivables acquired amount to 4 million Euro which equals its fair value. There are no acquired receivables at acquisition date for which the contractual cash flows are not expected to be received.

The acquisition had the following effect on the consolidated statement of financial position and the consolidated statement of cash flows:

MILLION EURO	2022 Inca Digital Printers
Intangibles with finite useful life	
Trademarks	2
Assigned Intellectual Property	19
Acquired technology	3
Property, plant and equipment	1
Right-of-use assets	8
Inventories	18
Trade receivables	4
Contract assets	2
Trade payables	(3)
Contract liabilities	(4)
Other tax receivables	5
Other current assets	1
Other receivables	1
Other tax liabilities	(5)
Cash and cash equivalents	10
Lease liabilities	(8)
Provisions	(1)
Total identifiable net assets acquired	**52**
Goodwill amount recognized	2
Deferred purchase price receivable	3
Consideration paid	**(57)**
Cash acquired	**10**
Net cash outflow for acquisitions	**(48)**

19.2 Acquisitions 2021

During 2021, the Group made no acquisitions.

20. DISPOSALS

20.1. Disposal 2022

On April 7 2022, Agfa and Atos concluded its partnership according to which Atos will accompany Agfa in its digital transformation as announced in Q4, 2021. Atos will provide and manage a major part of Agfa's internal IT services and will support the company's digital journey. As a global imaging technology and IT leader, Agfa has engaged in an ambitious IT transformation program, striving for a simple, agile and future-proof digital organization.

Through this strategic move, Agfa will benefit from Atos' long-lasting expertise to implement an innovative and modern IT landscape, while optimizing its IT cost in all of its countries of operations. Atos will implement first-class solutions, including mainframe services, hosting, workplace management, cloud solutions and network.

Atos' solutions will also include a range of key application-related services and transformational projects aimed at simplifying, standardizing and modernizing the Agfa IT landscape, including harmonization of Agfa's ERP, CRM, HR and digital workplace solutions. By personalizing and significantly enhancing the IT experience for the employees of Agfa, Atos will allow them to enjoy the highest level of employee experience in the sector and help them to further innovate for their clients.

The partnership had the following effect on the Group's Balance Sheet:

Effect of disposal on the financial position of the Group

MILLION EURO	2022
Liabilities for post-employment benefit plans	2
Provision	1
Current employee benefits	2
Net liabilities divested	**5**
Consideration	(5)
Cash outflow from disposal	**(5)**

The restructuring provision related to these divested activities amounts to 14 million Euro and was recognized in Q4, 2021. In the course of 2022, a reversal of 3 million Euro to this provision was recognized as a result of updated facts and circumstances (see Note 9). This divestment did not have any other impact to the consolidated financial statements of the Group.

20.2. Disposal 2021

During 2021 there were no disposals.

FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

In the normal course of its business, the Group is exposed to a number of financial risks such as currency risk, interest rate risk, commodity price risk, liquidity risk and credit risk that could affect its financial position and its result of operations. The Group's objectives, policies and processes in managing these financial risks are described further in this note. In managing these risks, the Group may use derivative financial instruments. The use of derivative financial instruments is subject to internal controls and uniform guidelines set up by the Group's Treasury Committee. Derivatives used are over-the-counter instruments, particularly forward exchange contracts.

21. MARKET RISK

21.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The foreign currency risk management distinguishes between three types of foreign currency risk: foreign currency transaction risk, foreign currency translation risk and foreign currency economic risk.

The Group incurs foreign currency transaction risk on accounts receivable, accounts payable and other monetary items that are denominated in a currency other than the Company's functional currency. Foreign currency transaction risk in the Group's operations also arises from the variability of cash flows in respect of forecasted transactions.
Foreign operations which do not have the Euro as their functional currency give rise to a translation risk.
The foreign currency economic risk is the risk that future cash flows and earnings generated by foreign operations may vary. Foreign currency economic risk is highly connected with other factors such as the foreign operations' competitive position within an industry, or its relationship with customers and suppliers.

In monitoring the foreign currency risk exposures, the central treasury department focuses on the transaction and translation risk exposures, whereas business management seeks to manage the foreign economic risk through natural hedges.

Each of the above types of foreign currency risk exposure impacts the financial statements differently. The following significant exchange rates have been applied:

	Yearly average rate		Year-end closing rate	
	2021	**2022**	2021	**2022**
EUR/USD	1.183456	1.053899	1.1326	1.0666
EUR/GBP	0.86002	0.852622	0.84028	0.88693
EUR/RMB	7.633574	7.080221	7.1947	7.3582
EUR/CAD	1.483489	1.370356	1.4393	1.444
EUR/AUD	1.574826	1.517361	1.5615	1.5693
EUR/INR	87.479778	82.713808	84.2292	88.171
EUR/HKD	9.19828	8.251409	8.8333	8.3163

The central treasury department monitors and manages foreign currency exposure from the view of its impact on either the statement of financial position or profit or loss.

21.1.1. Foreign currency transaction risk in the statement of financial position

The currencies that primarily impact the net foreign currency exposure on the statement of financial position are as follows:

MILLION FOREIGN CURRENCY	Net exposure of receivables and payables	Hedging		Net position
		Cash, cash equivalents loans & deposits	Derivative financial instruments	
December 31, 2021				
USD	44.0	7.1	(48.7)	2.4
RMB	190.9	(186.4)	-	4.5
GBP	7.4	(6.6)	-	0.8
CAD	(1.8)	0.7	-	(1.1)
AUD	6.2	(4.8)	-	1.4
INR	263.9	-	(365.0)	(101.1)
HKD	3.2	(2.5)	-	0.8
December 31, 2022				
USD	28.7	26.6	(48.7)	6.6
RMB	154.0	(143.1)	-	10.9
GBP	9.5	(13.2)	-	(3.7)
CAD	(4.9)	2.7	-	(2.2)
AUD	2.6	(1.4)	-	1.2
INR	768.5	-	(993)	(224.5)
HKD	6.1	(6.1)	-	-

The Group uses cash, cash equivalents, loans and deposits held in a foreign currency as natural hedges of the net exposure of receivables and payables held in these respective currencies.

The aim of the Group's management regarding transaction exposure in the statement of financial position is to minimize, over the short term, the revaluation results – both realized and unrealized – of items in the statement of financial position that are denominated in a currency other than the Company's functional currency.

In order to keep the exposures within predefined risk adjusted limits, the central treasury department economically hedges the net outstanding monetary items in the statement of financial position in foreign currency using derivative financial instruments such as forward exchange contracts. As of December 31, 2022, the outstanding derivative financial instruments are mainly forward exchange contracts with maturities of generally less than one year.

Where derivative financial instruments are used to economically hedge the foreign exchange exposure of recognized monetary assets or liabilities, no hedge accounting is applied. Changes in the fair value of these derivative financial instruments are recognized in profit or loss.

21.1.2 Foreign currency translation risk in the statement of financial position

When the functional currency of the entity that holds the investment is different from the functional currency of the related subsidiary, the currency fluctuations on the net investment directly affect other comprehensive income ('Translation reserve') unless any hedging mechanism exists.

All subsidiaries have as functional currency the currency of the country in which they operate. The currencies giving rise to the Group's translation risk in the statement of financial position are primarily the US Dollar, Chinese Renminbi, Brazilian Real, Mexican Peso, Australian Dollar and British Pound.

MILLION FOREIGN CURRENCY	Net investment in a foreign entity	
	December 31, 2021	**December 31, 2022**
USD	232	184
RMB	578	596
BRL	92	62
AUD	40	17
MXN	234	219
GBP	(77)	14

The central treasury department monitors the translation exposure in the statement of financial position of the Group at least on a quarterly basis. The Treasury Committee proposes corrective actions if needed to the Executive Management.

21.1.3 Foreign currency risk in profit or loss

Foreign currency risk in profit or loss includes both the risk of the variability of cash flows in respect of forecasted transactions as a result of changes in exchange rates and the risk that the profit (loss) for the year generated by foreign operations may vary in amount when translated into the presentation currency (Euro). The central treasury department monitors and manages both risks simultaneously.

The currencies that primarily impact the net foreign currency exposure in profit or loss are US Dollar, Chinese Renminbi, Canadian Dollar, Pound Sterling, Australian Dollar, Korean Won, Indian Rupees, Japanese Yen and Swiss Franc.

The Executive Management decides on the hedging policy of aforementioned currency exposures considering the market situation and upon proposal of the Treasury Committee. The objective of the Group's management of exposure in profit or loss is mainly to increase the predictability of results but also to allow the business to react to the changing environment (e.g. by adapting prices or shifting production).

The Group uses forward exchange contracts to hedge its currency risk related to a forecasted exposure. These forward exchange contracts are designated as cash flow hedges. The Group designates only the spot element of forward foreign exchange contracts to hedge its foreign currency risk and applies a hedge ratio of 1:1. The forward element of forward exchange contracts is excluded from the designation of the hedging instrument and is separately accounted for in financial result. The Group's policy is to align the critical terms of the forward exchange contracts with the hedged item. The existence of an economic relationship between the hedged item and the hedging instrument is based on the currency, amount, and timing of the respective cash flows. The Group assesses whether the derivative designated in the hedging relationship is expected to be and has been effective in offsetting changes in cash flows using the hypothetical derivative method. Very little ineffectiveness is expected from these cash flow hedges. In these relationships, the main sources of ineffectiveness are the counterparty risk and the Group's own credit risk on the fair value of the forward exchange contracts which is not reflected in the fair value. Also changes in the timing of the hedged transactions can cause hedge ineffectiveness.

In the course of 2022, the Group designated foreign exchange contracts as 'cash flow hedges' of its foreign currency exposure in US Dollar related to highly probable forecasted revenue over the following 12 months.

The portion of the gain on the forward exchange contracts that is determined to be an effective hedge is recognized directly in 'Other comprehensive income' (December 31, 2022: -2 million Euro net of tax; December 31, 2021: -2 million Euro net of tax).

During 2022, losses amounting to 5 million Euro have been recognized in 'Other comprehensive income.' An amount of 5 million Euro has been reclassified from 'Other comprehensive income' and has been deducted from 'Turnover'. During 2021, losses amounting to 3 million Euro have been recognized in 'Other comprehensive income.' An amount of 1 million Euro has been reclassified from 'Other comprehensive income' and has been included in 'Turnover'. Taxes amounting to 1 million Euro have been deducted from 'Other comprehensive income.'

A reconciliation in tabular format is provided in Note 21.4 'Summarizing table of cash flow hedge reserve.'

The following table summarizes the effect of the cash flow hedges related to currency risk on the financial statements:

MILLION EURO	2022 Nominal amount	Carrying amount Assets	Carrying amount Liabilities	During the period - 2022: Line item in statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in P&L	Line item in profit or loss that includes hedge ineffectiveness	Amounts reclassified from hedging reserve to profit or loss	Amounts reclassified from hedging reserve to cost of inventory	Line item in profit or loss affected by the reclassification
Forward exchange contracts designated as cash flow hedges	16	-	(1.0)	Derivative financial instruments	(5)	-	Other finance expense	5	-	Revenue

MILLION EURO	2021 Nominal amount	Carrying amount Assets	Carrying amount Liabilities	During the period - 2021: Line item in statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in P&L	Line item in profit or loss that includes hedge ineffectiveness	Amounts reclassified from hedging reserve to profit or loss	Amounts reclassified from hedging reserve to cost of inventory	Line item in profit or loss affected by the reclassification
Forward exchange contracts designated as cash flow hedges	15	-	(1.0)	Derivative financial instruments	(3)	-	Other finance expense	(1)	-	Revenue

Cash flow hedges hedging its exposure in foreign currency have the following maturities:

2022		Maturity 1-3 months	Maturity 3-12 months	Maturity More than 1 year
Forward exchange contracts designated as cash flow hedges				
Nominal amounts net in millions of foreign currency	USD	18	-	-
Average EUR:USD forward contract rate		1.12770	-	-
2021		Maturity 1-3 months	Maturity 3-12 months	Maturity More than 1 year
Forward exchange contracts designated as cash flow hedges				
Nominal amounts net in millions of foreign currency	USD	18	-	-
Average EUR:USD forward contract rate		1.23243	-	-

21.1.4 Sensitivity analysis foreign currency risk

A strengthening/weakening of the Euro by 10% against the currencies listed hereafter with all other variables held constant, would have increased (decreased) profit or loss by the amounts shown below. The analysis has been carried out on the budgeted net exposure by currency for the year 2022, net of the use of cash flow hedges.

MILLION EURO	Profit and loss			
	2021		**2022**	
	Strengthening of the Euro by 10%	Weakening of the Euro by 10%	**Strengthening of the Euro by 10%**	**Weakening of the Euro by 10%**
USD	2.0	(2.0)	5.5	(5.5)
RMB	(4.6)	4.6	(2.2)	2.2
CAD	0.3	(0.3)	(0.4)	0.4
GBP	(3.2)	3.2	(4.1)	4.1
AUD	(1.6)	1.6	(1.9)	1.9
INR	(3.2)	3.2	(3.4)	3.4
KRW	(1.9)	1.9	(2.0)	2.0
CHF	(1.1)	1.1	(1.1)	1.1
JPY	(2.8)	2.8	(3.5)	3.5

With regard to cash flow hedges, a strengthening/weakening of the Euro by 10% against the US Dollar would have an impact to 'Other Comprehensive income', net of tax of 1.5 million/(1.5) million Euro. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales.

21.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.
The Group's exposure to changes in interest rates primarily relates to the Group's net financial debt position, including the FX-swaps and its interest component that economically hedge intercompany loans and deposits. For the most important currencies the following interest rate profile exists at the reporting date:

MILLION EURO	Profit and loss			
	2021		**2022**	
	Outstanding amount	Outstanding amount	**Outstanding amount**	**Outstanding amount**
	At floating rate	At fixed rate	**At floating rate**	**At fixed rate**
EUR	(250)	-	(4)	-
USD	(33)	-	(14)	-
GBP	1	-	(24)	-
RMB	(16)	-	(34)	-
AUD	(23)	-	(7)	-
JPY	13	-	11	-
BRL	15	-	16	-
CAD	(13)	-	(22)	-
HKD	(8)	-	(8)	-
PLN	(5)	-	(4)	-
KRW	(4)	-	1	-
ZAR	(8)	-	(1)	-
INR	(12)	-	(4)	-
Other	18	-	21	-
TOTAL	**(325)**	**-**	**(72)**	**-**
NET FINANCIAL DEBT	**(325)**		**(72)**	

21.2.1 Sensitivity analysis interest rate risk

A change of 100 basis points in interest rates at December 31, 2022 would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The analysis is performed on the same basis for 2021.

	Profit and loss	
	100 bp increase	100 bp decrease
December 31, 2021		
Net impact	3.30	(3.30)
December 31, 2022		
Net impact	0.72	(0,72)

21.3 Commodity price risk

The Group's most important raw material exposures relate to silver and aluminum. The Group's commodity price risk – i.e. the risk that its future cash flows and earnings may vary because of changed material prices – is highly connected with other factors such as the Group's competitive position within an industry, its relationship with customers and suppliers.

In the past, the Group applied for the purchase of aluminum, a strategy of purchasing at spot rates, combined with a system of "Rolling layered forward buying", in order to prevent negative effects from potential future price rises or price volatility of aluminum. The amount of forward buying was defined based on the metal volume for customer contracts without aluminum clauses. In 2022, almost all contracts contain quarterly price adjustment clauses, a.o. for aluminum, eliminating the need for forward buying. Hence the system of forward buying is not used anymore.

As from 2022, the Group no longer concludes metal swap agreements with banks.

At December 31, 2022 and 2021, there are no outstanding metal swap agreements. During 2021, gains amounting to 7 million Euro have been recognized in 'Other comprehensive income'. An amount of 13 million Euro has been reclassified from 'Other comprehensive income' and has been deducted in 'Inventory'. Taxes amounting to 1 million Euro have been included in 'Other comprehensive income'.

A reconciliation in tabular format is provided in Note 21.4 'Summarizing table of cash flow hedge reserve'.

The following table summarizes the effect of the cash flow hedges related to commodity risk on the financial statements:

	2022		**During the period - 2022**						
	Carrying amount		**Line item in statement of financial position where the hedging instrument is included**	**Changes in the value of the hedging instrument recognized in OCI**	**Hedge ineffectiveness recognized in P&L**	**Line item in profit or loss that includes hedge ineffectiveness**	**Amounts reclassified from hedging reserve to profit or loss**	**Amounts reclassified from hedging reserve to cost of inventory**	**Line item in profit or loss affected by the reclassification**
MILLION EURO	**Assets**	**Liabilities**							
Metal swap agreements	-	-	-	-	-	-	-	-	-

	2021		During the period - 2021						
	Carrying amount		Line item in statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in P&L	Line item in profit or loss that includes hedge ineffectiveness	Amounts reclassified from hedging reserve to profit or loss	Amounts reclassified from hedging reserve to cost of inventory	Line item in profit or loss affected by the reclassification
MILLION EURO	Assets	Liabilities							
Metal swap agreements	-	-	Derivative financial instruments	7	-	-	-	(13)	-

21.3.1 Sensitivity analysis commodity price risk

For 2022, the Group's exposed tonnage of silver is around 82 tons (2021: 89 tons). For every US Dollar/troy change in the silver price, the impact on the Group's consolidated profit or loss statement is estimated at 2.6 million US Dollar on a yearly basis (2021: 2.8 million US Dollar). The analysis has been carried out on the actual exposed volume for the year 2022. The aforementioned Group's exposed tonnage of silver disregards the ability to partly charge its customers without existing silver clauses on the variability of the silver price.

For 2022, the Group's exposed tonnage of aluminum is around 77 kilotons (2021: 72 kilotons). For every 100 US Dollar/ton change in the European aluminium metal price (LME), the impact on the Group's aluminum spending is estimated at 3.4 million Euro on a yearly basis (2021: 3 million Euro). For every 500 Chinese Yuan/ton change in the Chinese alu metal price (SHME & CNAL), the impact on the Group's aluminum spending is estimated at 2.1 million Euro on a yearly basis (2021: 1.8 million Euro). Both analyses have been carried out on the budgeted exposed volume for the year 2022 converted at the budgeted rate of respectively the US Dollar and Chinese Yuan to Euro.
The aforementioned Group's exposed tonnage of aluminum disregards both the ability to partly charge its customers on the variability of the aluminum metal price, as well as any hedging done. By year-end 2021 the Offset Solutions division had updated a majority of its contracts for printing plates with quarterly price adjustment clauses, hence reducing drastically the exposure to aluminum.

21.4 Summarizing table of cash flow hedge reserve: currency risk and commodity risk

The following table provides a summary of the effect in accumulated other comprehensive income of cash flow hedges by type of risk:

	Cash flow hedges related to		TOTAL
	Currency risk	Commodity risk	
Other comprehensive income at January 1, 2021	**2**	**4**	**7**
Effective portion of changes in fair value booked in 'Other comprehensive income'	(3)	7	4
Changes in fair value of cash flow hedges reclassified to turnover	(1)	-	(1)
Adjustments for amounts transferred to initial carrying amount of inventory	-	(13)	(13)
Income taxes	1	1	2
Other comprehensive income at December 31, 2021	**(2)**	**-**	**(2)**
Other comprehensive income at January 1, 2022	**(2)**	**-**	**(2)**
Effective portion of changes in fair value booked in 'Other comprehensive income'	(5)	-	(5)
Changes in fair value of cash flow hedges reclassified to turnover	5	-	5
Adjustments for amounts transferred to initial carrying amount of inventory	-	-	-
Income taxes	-	-	-
Other comprehensive income at December 31, 2022	**(2)**	**-**	**(2)**

There are no balances in hedge reserve related to hedge relationships for which hedge accounting is no longer applied.

22. CREDIT RISK

Credit risk is the risk that the counterparty to a financial instrument may fail to discharge an obligation and cause the Group to incur a financial loss.

The Group manages exposure to credit risk by working with upfront agreed counterparty credit limits and through diversification of counterparties.

Credit risk arises mainly from the Group's receivables from customers, investments and foreign currency forward contracts. The exposure to credit risk from customer receivables is monitored on an ongoing basis by the Credit Committee. Credit limits are set for each customer based on its creditworthiness and are reviewed periodically by the Credit Committee. In monitoring the credit risk, customers are grouped in risk categories according to their financial characteristics. It is the

Group's policy to cover a portion of the receivables portfolio through credit insurance to cover default risk.

Goods sold are subject to retention of title clauses, so that in the event of non-payment, the Group may have a secured claim. In normal circumstances, the Group does not require collateral in respect of trade or other receivables.

Transactions involving derivative financial instruments and deposits are to be kept within predefined credit limits set by counterparty based on the Standard & Poor's rating of the related financial institution. To minimize the concentration of counterparty risk, the Group enters into derivative transactions with a number of financial institutions. Investments are only allowed in liquid assets.

22.1 Exposure to credit risk

As a result of the Group's broad customer portfolio, there were no significant concentrations of credit risk at December 31, 2022. The maximum exposure is kept within predefined limits.

The carrying amounts of the financial assets, including derivative financial instruments, in the statement of financial position reflect the maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date per class of financial asset is as follows:

MILLION EURO	Note	2021	**2022**
Financial assets at fair value through OCI			
Equity instruments	30.2	7	4
Financial assets at fair value through profit or loss			
Derivatives not part of a hedging relationship – assets	25	1	3
Financial assets at amortized cost and contract assets			
Trade receivables	22.2	319	300
Contract assets	8.3	76	94
Receivables under finance lease	31	100	103
Other receivables	33	4	6
Other investments and loans measured at cost	30.2	4	1
Cash	34	398	138
TOTAL		**909**	**650**

At December 31, 2022 and 2021, the exposure to credit risk for trade receivables, contract assets and lease receivables by geographic region was as follows:

	2021			**2022**		
MILLION EURO	Trade receivables	Contract assets	Lease receivables	**Trade receivables**	**Contract assets**	**Lease receivables**
Europe	135	25	73	126	34	67
NAFTA	47	44	26	47	49	37
Latin America	27	6	-	31	7	-
Asia/Oceania/Africa	110	2	-	96	5	-
TOTAL	**319**	**76**	**100**	**300**	**94**	**103**

22.2 Expected credit loss

With regard to impairment of trade receivables, lease receivables and contract assets, the Group applies the simplified approach for the impairment evaluation, which implies that credit losses for these categories of assets are always measured at an amount equal to lifetime expected credit losses. Credit losses are measured as the present value of all cash shortfalls – i.e. the difference between the cash flows to which the entity is entitled to and what the entity expects to receive.

The inputs and assumptions to the expected credit loss model are the following: significant financial difficulty of the counterparty, a default of more than 90 days past due, a possible bankruptcy of the counterparty.

The evaluation of possible credit-impairment takes into account forward-looking elements. For the major part of the accounts receivable balances, debtors are scored and rated based on quantitative and qualitative information on an ongoing basis through Credit Risk Application in place. All customers are classified into different risk categories which are reassessed on a yearly basis based on relevant forward-looking information such as data from external credit bureaus, age of business, country risk and the credit manager's assessment. To mitigate the credit risk, credit insurance and other risk mitigation tools such as letter of credit, bank guarantees, or mortgages are used within the Group.

The ageing of trade receivables and receivables under finance lease at the reporting date was:

	2021			**2022**		
MILLION EURO	Gross value	Impairment loss	Net	**Gross value**	**Impairment loss**	**Net**
Trade receivables						
Not past due	288	(3)	284	264	(3)	261
Past due 0 - 30 days	9	-	9	15	(1)	15
Past due 31 - 90 days	19	-	19	15	(1)	15
Past due 91 - 180 days	4	-	3	4	(1)	3
Past due 181 - 360 days	6	(6)	-	9	(7)	2
Past due more than 360 days	39	(34)	5	36	(31)	5
TOTAL TRADE RECEIVABLES	**365**	**(45)**	**319**	**343**	**(44)**	**300**
Receivables under finance lease						
Not past due	99	-	99	101	-	101
Past due 0 - 30 days	1	-	1	2	-	2
Past due 31 - 90 days	-	-	-	1	-	1
Past due 91 - 180 days	-	-	-	-	-	-
Past due 181 - 360 days	-	-	-	-	-	-
Past due more than 360 days	1	(2)	-	1	(1)	-
TOTAL RECEIVABLES UNDER FINANCE LEASES	**102**	**(2)**	**100**	**105**	**(1)**	**103**

Past due amounts of more than 360 days mainly arise in Belgium and are mainly caused by commercial disputes. These overdues are for the major part written down. Overdues by region are very closely monitored case by case by the Credit Committees within the Group.

The following table provides information about the exposure to credit risk for trade receivables from individual customers at December 31, 2022:

MILLION EURO	Weighted average loss rate	Gross carrying amount	Loss allowance
Not past due	1.16%	264	(3)
Past due 0 - 30 days	5.50%	15	(1)
Past due 31 - 90 days	4.58%	15	(1)
Past due 91 - 180 days	20.21%	4	(1)
More than 180 days	85.26%	45	(38)

The movement in the allowance for impairment in respect of trade, lease receivables and contract assets during the year is shown in the following table. The loss amount is measured at an amount equal to lifetime expected credit losses.

	2021		2022	
MILLION EURO	Impairment losses on trade and lease receivables	Impairment losses on contract assets	Impairment losses on trade and lease receivables	Impairment losses on contract assets
Balance at January 1	**45**	**1**	**47**	**-**
Additions/reversals charged to profit or loss	2	-	1	-
Deductions from allowance (1)	-	-	(3)	-
Disposals	-	-	-	-
Exchange differences	-	-	-	-
Balance at December 31	**47**	**-**	**45**	**1**

(1) Write-offs for which an allowance was previously recorded.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment for each type of financial asset based on whether there is a reasonable expectation of recovery. Financial assets that are written off are still subject to enforcement activities of the Group for recovery of amounts due.

The impairment loss relates to several other customers that indicated not to be able to pay their outstanding balances mainly due to economic circumstances.

The cash held by the Group, is deposited with banks having an A credit rating.

23. LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulties in meeting commitments related to financial liabilities when they fall due.

The Group ensures that it has sufficient liquidity to meet its liabilities. Liquidity risk is managed by maintaining a sufficient degree of diversification of funding sources. The Group has a policy in place to limit concentrations related to liquidity risk. The total share of gross drawn term debt and all undrawn committed facilities provided by one bank or bank group should not exceed predetermined limits. Risk concentrations are monitored on an ongoing basis by the Treasury Committee.

In managing its liquidity risk, the Group has a revolving credit facility it can access to meet its liquidity needs. The notional amount of this credit facility amounts to 230 million Euro with maturity date March, 2024 with a possibility of extension of the term two times with one year. In the course of 2022 the maturity date has been extended until March 2025. Drawdowns under these lines are made for shorter periods but the Group has the discretion to roll-over the liability under the existing committed loan agreement. In the liquidity analysis, repayments of the committed facilities are included in the earliest time band the Group could be required to repay its liabilities. At December 2022, there are no drawdowns under these lines (2021: 0 million Euro).

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments based on conditions existing at the reporting date, i.e. exchange rates and interest rates. With regard to derivatives, the maturity analysis comprises liabilities arising from derivatives and all gross settled forward exchange contracts. The contractual cash flows for forward exchange contracts are determined using forward rates.

2021

MILLION EURO	Carrying amount	Contractual cash flows				
		TOTAL	3 months or less	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Debenture	-	-	-	-	-	-
Revolving credit facility [1]	(1)	(1)	-	-	-	-
EIB loan	-	-	-	-	-	-
Other loans	3	3	1	2	-	-
Lease liabilities	70	70	6	17	43	3
Bank overdrafts	-	-	-	-	-	-
Trade payables	252	252	252		-	-
Other payables	9	9	9		-	-
Derivative financial liabilities						
Forward exchange contracts designated as cash flow hedges:						
Outflow	(1)	(16)	(16)	-	-	-
Inflow	-	15	15	-	-	-
Other forward exchange contracts:						
Outflow	(1)	(139)	(41)	(98)	-	-
Inflow	1	140	41	99	-	-
Swap contracts designated as cash flow hedges:						
Outflow	-	-	-	-	-	-
Inflow	-	-	-	-	-	-

(1) Transaction costs (1 million Euro) are presented as a reduction of the carrying amount of the financial liability.

2022

MILLION EURO	Carrying amount	Contractual cash flows				
		TOTAL	3 months or less	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Debenture	-	-	-	-	-	-
Revolving credit facility [1]	(1)	(1)	-	-	-	-
EIB loan	-	-	-	-	-	-
Other loans	4	4	-	4	-	-
Lease liabilities	62	62	6	14	35	6
Bank overdrafts	-	-	-	-	-	-
Trade payables	249	249	249		-	-
Other payables	6	6	6		-	-
Derivative financial liabilities		-				
Forward exchange contracts designated as cash flow hedges:						
Outflow	(1)	(17)	(17)	-	-	-
Inflow	-	16	16	-	-	-
Other forward exchange contracts:						
Outflow	(1)	(128)	(67)	(61)	-	-
Inflow	3	130	67	62	-	-

(1) Transaction costs (1 million Euro) are presented as a reduction of the carrying amount of the financial liability.

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and impact the profit or loss with the fair value of the related hedging instruments.

2021 MILLION EURO	Fair value	Expected cash flows TOTAL	3 months or less	3-12 months	1-5 years	More than 5 years
Derivative financial instruments designated as cash flow hedges						
Forward exchange contracts designated as cash flow hedges:						
Outflow	(1)	(16)	(16)	-	-	-
Inflow	-	15	15	-	-	-
Swap contracts designated as cash flow hedges:						
Outflow	-	-	-	-	-	-
Inflow	-	-	-	-	-	-

2022 MILLION EURO	Fair value	Expected cash flows TOTAL	3 months or less	3-12 months	1-5 years	More than 5 years
Derivative financial instruments designated as cash flow hedges						
Forward exchange contracts designated as cash flow hedges:						
Outflow	(1)	(17)	(17)	-	-	-
Inflow	-	16	16	-	-	-
Swap contracts designated as cash flow hedges:						
Outflow	-	-	-	-	-	-
Inflow	-	-	-	-	-	-

24. CAPITAL MANAGEMENT

The Executive Management seeks to maintain a balance between the components of the shareholders' equity and the net financial debt at an agreed level. Net financial debt is defined as current and non-current loans and borrowings and lease liabilities less cash and cash equivalents. There were no changes in the Group's approach to capital management during the year.

The Group is not subject to any externally imposed capital requirements, with the exception of the statutory minimum equity funding requirements that apply to its subsidiaries in the different countries.

In March 2021, the Group announced a share buyback program with a volume of 50 million Euro. Within the framework of the share buyback program, Agfa-Gevaert NV proceeded with the purchase of own shares on the market of Euronext Brussels. The authorization to acquire own shares was granted to the Board of Directors by the Extraordinary General Meeting of Shareholders of May 12, 2020.

Agfa-Gevaert NV has requested a financial intermediary to repurchase Agfa-Gevaert shares for a maximum amount of 50,000,000 Euro on its behalf under the terms of an initial discretionary mandate agreement with validity until March 31, 2022, effective as from April 1, 2021. On March 8, 2022, the Board of Directors decided to extend the '2021 Share Buyback Program' through March 31, 2023 (the 'Extended Share Buyback Program 2021').

Since the beginning of the share buyback program until June 9th, 2022, based on the transaction date, the Agfa-Gevaert Group bought 12,930,662 own shares for a total amount of 49,999,997.30 Euro, representing 7.71% of the total outstanding shares on April 1, 2021. With this announcement, Agfa-Gevaert NV has completed its share buyback program that had started on April 1, 2021.

In the first half-year of 2022, the Group has purchased 5,618,125 own shares for an amount of 21 million Euro. These shares were cancelled in the course of the first half-year of 2022. At December 31, 2022, the issued capital of the Group amounted to 187 million Euro represented by 154,820,528 fully paid shares. At December 31 ,2022, the Group does not hold any own shares.

25. ACCOUNTING CLASSIFICATION AND FAIR VALUES

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.

All derivative financial instruments are recognized at fair value in the statement of financial position.

The Group aggregates its financial instruments into classes based on their nature and characteristics. The following table shows the carrying amounts and fair values of financial assets and liabilities by category and a reconciliation of the corresponding line items in the statement of financial position. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. During 2022 and 2021 there have been no reclassifications of financial assets between categories.

The other payables classified as mandatorily at fair value through profit or loss in the fair value hierarchy 2 (2022: 2 million Euro, 2021: 2 million Euro) relate to a deposit of 3.4 ton silver placed by a metal recovery and refining company, valued at fair value (observable market price).

2021

		Financial assets/liabilities: carrying amount							
MILLION EURO	Note	Hedging instruments	Mandatorily at fair value through P&L – Others		Fair value through OCI – Equity instruments	Financial assets at amortized cost	Financial liabilities at amortized cost	TOTAL	Fair value
Fair value hierarchy		(2)	(2)	(3)	(1)				
Assets									
Other financial assets	30	-	-	-	7	4	-	10	10
Trade receivables	22.2	-	-	-	-	319	-	319 (a)	
Receivables under finance lease	31	-	-	-	-	100	-	100 (a)	
Other receivables	33	-	-	-	-	4	-	4 (a)	
Derivative financial instruments:									
Forward contracts used for hedging		-	-	-	-	-	-	-	-
Swap contracts used for hedging		-	-	-	-	-	-	-	-
Other forward exchange contracts		-	-	-	-	-	-	-	-
Other swap contracts		-	1	-	-	-	-	1	1
Cash and cash equivalents	34	-	-	-	-	398	-	398	398
TOTAL ASSETS		**-**	**1**	**-**	**7**	**825**	**-**	**832**	**-**
Liabilities									
Loans and borrowings									
Revolving credit facility (b)	38	-	-	-	-	-	(1)	(1)	
Bank overdrafts	38	-	-	-	-	-	-	-	
Other bank liabilities	38	-	-	-	-	-	3	3	3
Lease liabilities	38.2	-	-	-	-	-	70	70 (c)	
Trade payables		-	-	-	-	-	252	252 (a)	
Other payables	40	-	2	-	-	-	7	9 (a)	
Derivative financial instruments:									
Forward contracts used for hedging		1	-	-	-	-	-	1	1
Swap contracts used for hedging		-	-	-	-	-	-	-	-
Other forward exchange contracts		-	1	-	-	-	-	1	1
Other swap contracts		-	-	-	-	-	-	-	-
TOTAL LIABILITIES		**1**	**3**	**-**	**-**	**-**	**331**	**335**	**-**

Fair value hierarchy:
(1) Fair value hierarchy 1 means that the fair value is determined based on quoted prices in active markets.
(2) Fair value hierarchy 2 means that fair value is determined based on inputs other than quoted prices that are observable for that related asset or liability.
(3) Fair value hierarchy 3 means that fair value is determined based on inputs that are not based on observable market data: related to other payable.

(a) The Group has not separately disclosed the fair value of trade and other receivables and the fair value of trade payables and other payables as these assets and liabilities are mainly short-term receivables and payables for which the carrying amount is an approximation of fair value.
(b) Transaction costs are included in the initial measurement of the financial liability (1 million Euro).
(c) Fair value is not disclosed for lease liabilities in accordance with IFRS 7.

2022

MILLION EURO	Note	Financial assets/liabilities: carrying amount							
		Hedging instruments	Mandatorily at fair value through P&L – Others		Fair value through OCI – Equity instruments	Financial assets at amortized cost	Financial liabilities at amortized cost	**TOTAL**	Fair value
Fair value hierarchy		(2)	(2)	(3)	(1)				
Assets									
Other financial assets	30	-	-	-	4	1	-	5	5
Trade receivables	22.2	-	-	-	-	300	-	300 (a)	-
Receivables under finance lease	31	-	-	-	-	103	-	103 (a)	-
Other receivables	33	-	-	-	-	6	-	6 (a)	-
Derivative financial instruments:									
Forward contracts used for hedging		-	-	-	-	-	-	-	-
Swap contracts used for hedging		-	-	-	-	-	-	-	-
Other forward exchange contracts		-	1	-	-	-	-	1	1
Other swap contracts		-	2	-	-	-	-	2	2
Cash and cash equivalents	34	-	-	-	-	138	-	138	138
TOTAL ASSETS		**-**	**3**	**-**	**4**	**547**		**555**	**-**
Liabilities									
Loans and borrowings		-	-	-	-	-	-	-	-
Revolving credit facility (b)	38	-	-	-	-	-	(1)	(1)	-
Bank overdrafts	38	-	-	-	-	-	-	-	-
Other bank liabilities	38	-	-	-	-	-	4	4	4
Lease liabilities	38.2	-	-	-	-	-	62	62 (c)	-
Trade payables		-	-	-	-	-	249	249 (a)	-
Other payables	40	-	2	-	-	-	4	6 (a)	-
Derivative financial instruments:									
Forward contracts used for hedging		1	-	-	-	-	-	1	1
Swap contracts used for hedging		-	-	-	-	-	-	-	-
Other forward exchange contracts		-	-	-	-	-	-	-	-
Other swap contracts		-	1	-	-	-	-	1	1
TOTAL LIABILITIES		**1**	**3**	**-**	**-**	**-**	**318**	**322**	**-**

Fair value hierarchy:
(1) Fair value hierarchy 1 means that the fair value is determined based on quoted prices in active markets.
(2) Fair value hierarchy 2 means that fair value is determined based on inputs other than quoted prices that are observable for that related asset or liability.
(3) Fair value hierarchy 3 means that fair value is determined based on inputs that are not based on observable market data: related to other payable.

(a) The Group has not separately disclosed the fair value of trade and other receivables and the fair value of trade payables and other payables as these assets and liabilities are mainly short-term receivables and payables for which the carrying amount is an approximation of fair value.
(b) Transaction costs of the revolving credit facility are included in the initial measurement of the financial liability (1 million Euro).
(c) Fair value is not disclosed for lease liabilities in accordance with IFRS 7.

25.1 Basis for determining fair values

Significant methods and assumptions used in estimating the fair values of financial instruments are as follows.

The fair value of investments in equity securities is determined by reference to their quoted market price at the reporting date.

The fair value of forward exchange contracts and swap contracts is valued using quoted forward exchange rates and yield curve data at reporting date.

The fair value of trade and other receivables and trade and other payables is not disclosed as it mainly relates to short-term receivables and payables for which their carrying amount is a reasonable approximation of fair value.
The fair value of financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at market rates of interest at the reporting date. The fair value of the debenture is the quoted market price at the reporting date.

The fair value for the current bank liabilities approximates nominal amounts excluding transaction costs, as drawdowns are made for short periods.

The fair value of the deferred contingent consideration from business combinations is calculated using a discounted cash flow model. The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate. Significant observable inputs are the expected cash flows and the risk-adjusted discount rate. The estimated fair value would increase (decrease) if the expected performances are higher (lower).

26. ITEMS OF INCOME, EXPENSE, GAINS AND LOSSES ON FINANCIAL INSTRUMENTS RECOGNIZED IN PROFIT OR LOSS

2021

MILLION EURO	Financial assets at amortized cost	Derivatives	Financial liabilities carried at amortized cost	Financial liabilities at fair value	TOTAL
Interest income	5	-	-	-	5
Interest expense	-	(1)	(6)	-	(7)
Finance lease income	7	-	-	-	7
Impairment charges	(6)	-	-	-	(6)
Income from reversal of impairment losses	4	-	-	-	4
Change in fair value of financial instruments not part of a hedging relationship	-	1	-	-	1
Net result from ineffectiveness of hedging instruments designated as cash flow hedges	-	-	-	-	-

2022

MILLION EURO	Financial assets at amortized cost	Derivatives	Financial liabilities carried at amortized cost	Financial liabilities at fair value	TOTAL
Interest income	5	-	-	-	5
Interest expense	-	(4)	(7)	-	(11)
Finance lease income	7	-	-	-	7
Impairment charges	(5)	-	-	-	(5)
Income from reversal of impairment losses	4	-	-	-	4
Change in fair value of financial instruments not part of a hedging relationship	-	(8)	-	-	(8)
Net result from ineffectiveness of hedging instruments designated as cash flow hedges	-	-	-	-	-

27. GOODWILL AND INTANGIBLE ASSETS

MILLION EURO	Goodwill	Intangible assets – Indefinite useful lives – Trademarks	Intangible assets – Finite useful lives – Capitalized development costs	Acquired technology	Contractual customer relationships	Trademarks	Management information systems	Software, licenses, concessions and IP rights	Advance payments to acquire intangible assets	TOTAL
Cost at December 31, 2020	**349**	**-**	**4**	**42**	**43**	**4**	**126**	**58**		**627**
Exchange differences	20	-	-	2	4	-	3	(1)	-	29
Business combinations additions	-	-	-	-	-	-	-	-	-	-
Business combinations divestment	-	-	-	-	-	-	-	-	-	-
CHP certificates and emission rights (non-cash)	-	-	-	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-	1	-	1
Disposals and retirements	-	-	(2)	(6)	-	-	(2)	(4)	-	(13)
Construction in progress put into use	-	-	-	-	-	-	-	-	-	-
Reclasses	-	-	-	-	-	-	-	-	-	-
Cost at December 31, 2021	**370**	**-**	**2**	**38**	**47**	**4**	**128**	**54**	**-**	**644**
Exchange differences	9	-	-	-	-	-	3	-	-	12
Business combinations additions	2	-	-	22	-	2	-	-	-	26
CHP certificates and emission rights (non-cash)	-	-	-	-	-	-	-	(2)	-	(2)
Capital expenditures	-	-	-	-	-	-	-	7	-	7
Disposals and retirements	(2)	-	-	-	(5)	(1)	-	(1)	-	(8)
Construction in progress put into use	-	-	-	-	-	-	-	-	-	-
Reclasses	-	-	-	-	-	-	-	-	-	-
Cost at December 31, 2022	**379**	**-**	**2**	**61**	**43**	**5**	**131**	**58**	**-**	**679**
Accumulated amortization and impairment losses December 31, 2020	**(84)**	**-**	**(4)**	**(42)**	**(31)**	**(4)**	**(123)**	**(55)**	**-**	**(342)**
Exchange differences	(6)	-	-	(2)	(3)	-	(3)	1	-	(13)
Amortization during the year	-	-	-	-	(4)	-	(2)	(1)	-	(7)
Impairment loss during the year	-	-	-	-	-	-	-	-	-	-
Disposals and retirements	-	-	2	6	-	-	2	2	-	12
Reclasses	-	-	-	-	-	-	-	-	-	-
Accumulated amortization and impairment losses December 31, 2021	**(90)**	**-**	**(2)**	**(38)**	**(39)**	**(4)**	**(126)**	**(52)**	**-**	**(351)**
Exchange differences	(2)	-	-	-	-	-	(3)	-	-	(5)
Business combinations divestment	-	-	-	-	-	-	-	-	-	-
Amortization during the year	-	-	-	(1)	(5)	-	(1)	(1)	-	(9)
Impairment loss during the year	(70)	-	-	-	(3)	-	-	-	-	(73)
Disposals and retirements	2	-	-	-	5	1	-	-	-	7
Reclasses	-	-	-	-	-	-	-	-	-	-
Accumulated amortization and impairment losses December 31, 2022	**(160)**	**-**	**(2)**	**(39)**	**(42)**	**(4)**	**(130)**	**(54)**	**-**	**(431)**
Carrying amount December 31, 2020	**265**	**-**	**-**	**-**	**12**	**-**	**4**	**3**	**-**	**284**
Carrying amount December 31, 2021	**280**	**-**	**-**	**-**	**9**	**-**	**2**	**2**	**-**	**293**
Carrying amount December 31, 2022	**218**	**-**	**-**	**21**	**1**	**1**	**1**	**5**	**-**	**248**

In 2022, the cash relevant capital expenditures for intangible assets amount to 7 million Euro (2021: 1 million Euro) and mainly relate to software, licences and emission rights. Business combinations additions in 2022 relate to the acquisition of Inca (see Note 19.1).

At year-end 2022, the Group does not hold intangible assets with indefinite useful lives for impairment. The Group has assessed whether there was an indication of impairment for intangible assets with finite useful lives. These tests did result in the recording of an impairment loss in the business segment of Radiology Solutions (see Note 27.1.2).

The Group's management has reviewed the appropriateness of the useful lives of its major intangible assets at year-end 2022. This review has not resulted in revised amortization periods for intangible assets belong to HealthCare IT, Radiology Solutions, Digital Print & Chemicals and Offset Solutions.

More information on the underlying assumptions of the useful lives is provided in section 27.3 of this Note.

27.1 Impairment tests for goodwill

For the financial statements of the Group, goodwill is tested for impairment annually and whenever there is an indication of impairment. For the purpose of impairment testing, goodwill is allocated to a cash-generating unit (CGU).

In line with the definition of cash-generating units, the management of the Group has identified the reportable segments as the cash-generating units, i.e. HealthCare IT, Radiology Solutions, Digital Print & Chemicals and Offset Solutions. The operating segment is the lowest level within the Group at which the goodwill is monitored for internal management purposes (see Note 6 'Reportable segments').

At the end of 2022, the impairment test for goodwill was performed for the cash-generating units HealthCare IT, Radiology Solutions and Digital Print & Chemicals. The goodwill belonging to the cash-generating unit Offset Solutions was already fully impaired in former years.

The impairment testing has been carried out by comparing the carrying amount of each cash-generating unit to its recoverable amount. The recoverable amount of the CGU has been determined based upon a value in use calculation. The value in use is determined as the present value of estimated future cash flows that are derived from the current long-term planning of the Group. The discount rate used in calculating the present value of the estimated future cash flows, is based on an average market participant's weighted average cost of equity and debt capital (WACC).

The WACC considers a debt/equity ratio for an average market's participant increased with an additional risk premium to the cost of equity. The cost of debt is based on the conditions on which comparable companies can obtain long-term financing.

The discount rate is calculated for each cash-generating unit independently, considering the debt/equity ratio of each peer group. The pre-tax discount rates are derived from the WACC by means of iteration.

27.1.1 CGU Agfa HealthCare IT

At December 31, 2022, the carrying amount of the CGU Agfa HealthCare IT comprises goodwill of 217 million Euro. At year-end 2022, the Group tested its goodwill of HealthCare IT for impairment.

Based on the assumptions used, the calculated value in use of the CGU was higher than its carrying amount and no impairment loss was recognized.

The value in use of the CGU Agfa HealthCare IT has been determined based on estimated cash flow projections covering the next five years. The estimated cash flow projections are based upon the strategic business plan formally approved by the Board of Directors. After five years a terminal value is computed using a growth rate in the division Information Technologies (IT Solutions) of 1.5%. These growth rates are derived from respective market information.
The main assumptions used in the annual impairment test are determined by the reportable segment's key management and are based on past performance and management's expectations for the market development.

Key assumptions are:
- after-tax WACC: 10.15% (2021: 7.91%);
- pre-tax discount rate: 12.43% (2021: 9.51%);
- terminal growth rate (after five years): 1.5% for IT Solutions (2021: 1.5%);
- exchange rate USD/Euro: 1.05 (2021: 1.13);
- revenue and gross margin: revenue and gross margin reflect management's best expectations, based on past experience and taken into account the specific business risks.

Sensitivity analyses on changes in key assumptions, i.e. substantial changes in WACC, have been performed. The sensitivity analysis was based on a 100 basis point increase in the weighted average cost of capital. These sensitivity analyses have not revealed any risk for impairment loss. Based upon these sensitivity analyses, management is of the opinion that a reasonable, possible change in one of these key assumptions would not trigger an impairment loss to occur.

27.1.2 CGU Radiology Solutions

At December 31, 2022, the carrying amount of the goodwill belonging to the CGU Radiology Solutions was fully impaired. Due to a substantially increased WACC in combination with a reduced five-year business plan, the calculated value in use of the CGU was lower than its carrying amount and an impairment loss was recognized. The Group recognized an impairment loss of 70 million Euro on goodwill and 3 million Euro on intangible assets in other operating expenses (Note 9).

The value in use of the CGU Radiology Solutions has been determined based on estimated cash flow projections covering the next five years. The estimated cash flow projections are based upon the strategic business plan formally approved by the Board of Directors. After five years, a terminal value is computed using a weighted average growth rate of minus 3.87%. These growth rates are derived from respective market information.
The main assumptions used in the annual impairment test are determined by the reportable segment's key management and are based on past performance and management's expectations for the market development.

Key assumptions are:
- after-tax WACC: 9.79% (2021: 7.94%);
- pre-tax discount rate: 13.18% (2021: 9.67%);
- weighted average terminal growth rate (after five years): minus 3.87% (2021: minus 0.19%);
- silver: 20.5 USD/Troz. (2021: 25 USD/Troz.);
- exchange rate USD/Euro: 1.05 (2021: 1.13);
- revenue and gross margin: revenue and gross margin reflect management's best expectations, based on past experience and taken into account the specific business risks.

27.1.3 CGU Digital Print & Chemicals

At December 31, 2022, the carrying amount of the CGU Digital Print & Chemicals comprises goodwill of 2 million Euro. At year-end 2022, the Group tested its goodwill of Digital Print & Chemicals for impairment.

Based on the assumptions used, the calculated value in use of the CGU was higher than its carrying amount and no impairment loss was recognized. The value in use of the CGU Digital Print & Chemicals has been determined based on estimated cash flow projections covering the next five years. The estimated cash flow projections are based upon the strategic business plan formally approved by the Board of Directors. After five years, a terminal value is computed using a growth rate in the division of 5%. These growth rates are derived from respective market information.
The main assumptions used in the annual impairment test are determined by the reportable segment's key management and are based on past performance and management's expectations for the market development.

Key assumptions are:
- after-tax WACC: 10.43%
- pre-tax discount rate: 12.86% ;
- terminal growth rate (after five years): 5%;
- exchange rate USD/Euro: 1.05
- revenue and gross margin: revenue and gross margin reflect management's best expectations, based on past experience and taken into account the specific business risks.

27.1.4 CGU Offset Solutions

At December 31, 2022, the carrying amount of the CGU Offset Solutions comprises no goodwill.

27.2 Impairment tests for intangible assets with indefinite useful lives

At year-end 2022, the Group has no intangible assets with indefinite useful lives on its balance sheet.

27.3 Useful lives of intangible assets with finite useful lives

The useful life of an intangible asset is the period over which the asset is expected to contribute directly or indirectly to the future cash flows of the Group. Acquired technology and customer relationships are the most crucial recognized intangible assets with finite useful lives for the Group. For acquired technology, the estimation of the remaining useful life is based on the analysis of factors such as typical product life cycles in the industry and technological and commercial obsolescence arising mainly from expected actions by competitors or potential competitors.

At December 31, 2022, the net carrying amount of the Group's acquired technology amounted to 21 million Euro (2021: 0 million Euro). This technology was acquired in the business combination of Inca Digital Printers (see Note 19.1). The Group's acquired technology has an estimated weighted average remaining useful life of approximately nine years. The useful lives are periodically reviewed and revised if necessary.

For acquired contractual customer relationships, the estimated remaining useful life is assessed by reference to customer attrition rates. For the estimation of appropriate customer attrition rates, the Group assesses the probability that existing contracts will be renegotiated. For the assessment of the probability that existing contracts can be renegotiated, demand as well as competition and other factors such as technological lock-in and related sunk costs are of importance. At December 31, 2022, the net carrying amount of the Group's remaining acquired contractual customer relationships amount to 1 million Euro (2021: 9 million Euro). An impairment loss amounting to 3 million Euro was recognized on customer relationships belonging to the Radiology business segment as a result of the impairment testing performed during 2022.
The Group's acquired contractual customer relationships have an estimated weighted average remaining useful life of approximately five years. The useful lives are periodically reviewed and revised if necessary.

While the Group believes that the assumptions (such as attrition rates and product life cycles) used for the determination of the useful lives of aforementioned intangibles are appropriate, significant differences in actual experience would affect the Group's future amortization expense.

28. PROPERTY, PLANT AND EQUIPMENT

MILLION EURO	Land, buildings and infrastructure	Machinery and technical equipment	Furniture, fixtures and other equipment	Construction in progress and advance payments to vendors and contractors	TOTAL
Cost at December 31, 2020	**320**	**1,407**	**148**	**14**	**1,889**
Exchange differences	6	14	3	1	23
New lease contracts	-	-	4	-	4
Capital expenditures	1	16	4	4	25
Disposals and retirements	(13)	(27)	(19)	(2)	(61)
Construction in progress put into use	-	1	-	(1)	-
Reclasses	1	2	-	(2)	-
Cost at December 31, 2021	**315**	**1,412**	**139**	**14**	**1,880**
Exchange differences	2	4	-	-	6
New lease contracts	-	-	-	-	-
Capital expenditures	1	16	4	5	26
Business combinations additions	2	10	1	-	13
Disposals and retirements	(24)	(52)	(4)	(1)	(81)
Construction in progress put into use	-	1	-	(1)	-
Reclasses	-	-	2	(1)	2
Cost at December 31, 2022	**297**	**1,390**	**143**	**16**	**1,846**
Accumulated depreciation and impairment losses December 31, 2020	**(287)**	**(1,333)**	**(134)**	**(8)**	**(1,762)**
Exchange differences	(5)	(14)	(2)	-	(21)
Depreciation during the year	(4)	(15)	(8)	-	(27)
Impairment loss during the year	-	-	-	-	(1)
Disposals and retirements	11	26	19	1	57
Reclasses	1	-	1	-	2
Accumulated depreciation and impairment losses December 31, 2021	**(283)**	**(1,335)**	**(126)**	**(7)**	**(1,751)**
Exchange differences	(1)	(3)	(1)	-	(5)
Depreciation during the year	(4)	(15)	(8)	-	(26)
Impairment loss during the year	(6)	(10)	(2)	(7)	(26)
Business combinations additions	(2)	(9)	(1)	-	(12)
Disposals and retirements	24	53	3	1	80
Reclasses	-	1	-	(1)	-
Accumulated depreciation and impairment losses December 31, 2022	**(273)**	**(1,319)**	**(133)**	**(14)**	**(1,739)**
Carrying amount December 31, 2020	**33**	**74**	**13**	**6**	**127**
Carrying amount December 31, 2021	**31**	**77**	**14**	**7**	**129**
Carrying amount December 31, 2022	**24**	**71**	**10**	**2**	**107**

In 2022, capital expenditure for property, plant and equipment amount to 26 million Euro (2021: 25 million Euro), of which 16 million Euro (2021: 16 million Euro) relates to machinery and technical equipment, mainly in Belgium and of which 5 million Euro (2021: 4 million Euro) relates to construction in progress mainly for production efficiency, maintenance and IT-related projects in Belgium, Germany and Brasil.

The Group, as lessor, included assets subject to operating leases in its statement of financial position under the caption 'Other Equipment.' At the end of December 2022, the assets subject to operating leases have a total net carrying amount of 4 million Euro (2021: 6 million Euro) (see Note 44).
Impairment losses on PP&E amount to 26 million Euro and mainly relate to assets belonging to entities that are dedicated to the Offset Solutions activity and are therefore subject to the planned disposal in 2023. These assets were fully impaired as the sales price for the disposal group is lower than the carrying amount of the disposal group. More information is provided under section 4 'use of estimates and judgments'.

29. RIGHT-OF-USE ASSETS

Due to the application of IFRS 16, the Group – as lessee – recognizes as of 2019 right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. Exemptions are however made for short-term leases and leases of low value items such as the major part of the Group's ICT-equipment.

The right-of-use asset is initially measured at cost and subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In these cases, the right-of-use asset is depreciated over the useful life of the underlying asset, compliant with the methodology applicable for property, plant and equipment.

The following table shows a reconciliation to the closing balances at December 31, 2022, for the right-of-use assets, broken down by category. The Group distinguishes four categories: 1) Right-of-use land, buildings and infrastructure, 2) Right-of-use cars, 3) Right-of-use other transportation equipment, mainly related to our manufacturing organizations and 4) Right-of-use other assets.

MILLION EURO	Right-of-use land, buildings, infrastructure	Right-of-use cars	Right-of-use other transportation equipment	Right-of-use other assets	TOTAL
Cost at December 31, 2020	**85**	**39**	**2**	**1**	**127**
Exchange differences	2	1	-	-	3
New lease contracts	4	6	1	1	12
Lease revaluations	8	(1)	-	-	7
Disposals and retirements	(3)	(6)	-	-	(10)
Reclasses	(3)	(2)	-	-	(5)
Cost at December 31, 2021	**93**	**35**	**2**	**2**	**132**
Exchange differences	-	-	-	-	-
New lease contracts	6	8	-	-	14
Lease revaluations	(3)	-	-	-	(2)
Business combinations	8	-	-	-	8
Disposals and retirements	(9)	(7)	-	-	(17)
Reclasses	(1)	(1)	-	-	(2)
Cost at December 31, 2022	**94**	**36**	**2**	**1**	**134**
Accumulated depreciation and impairment losses December 31, 2020	**(32)**	**(16)**	**(1)**	**-**	**(49)**
Exchange differences	3	2	-	-	5
Amortization during the year	(17)	(11)	(1)	-	(28)
Impairment loss during the year	(1)	-	-	-	(1)
Disposals and retirements	3	6	-	-	10
Reclasses	-	-	-	-	1
Accumulated depreciation and impairment losses December 31, 2021	**(43)**	**(18)**	**(1)**	**-**	**(63)**
Exchange differences	-	-	-	-	-
Amortization during the year	(17)	(10)	(1)	-	(28)
Impairment loss during the year	(11)	(4)	(1)	-	(15)
Disposals and retirements	9	6	-	-	16
Reclasses	1	1	-	-	1
Accumulated depreciation and impairment losses December 31, 2022	**(62)**	**(25)**	**(2)**	**(1)**	**(89)**
Carrying amount December 31, 2021	**49**	**17**	**1**	**1**	**68**
Carrying amount December 31, 2022	**32**	**12**	**1**	**1**	**45**

New lease contracts concluded during 2022 amounted to 14 million Euro (2021: 12 million Euro) and primarily related to buildings and cars. The increase in right-of-use assets equals the increase in lease liabilities. For additional information on the evolution of the lease liabilities, see Note 38.

Lease revaluations made during 2022 amounting to minus 2 million Euro (2021: 7 million Euro) mainly relate to contract terminations.

Business combinations amounting to 8 million Euro relate to the acquisition of Inca (See note 19).
In 2022, impairment losses amounting to 15 million Euro (2021: 1 million Euro) have been recognized and mainly relate to assets belonging to entities that are dedicated to the Offset Solutions activity and therefore subject to the planned disposal in 2023. These assets were fully impaired as the sales price for the disposal group is lower than the carrying amount of the disposal group. More information is provided under section 4 'Use of estimates and judgments'.

30. INVESTMENTS IN ASSOCIATES AND FINANCIAL ASSETS

30.1 Investments in associates

In the course of 2021, the Group established with other investment partners the company Penny Black, a start-up private limited liability company providing software and printing solutions for the e-commerce business. The Group holds an investment of 49.80% in this company. The investment in this associate is measured using the equity method. In the course of 2022, the Agfa-Gevaert Group made an extra investment of 0,7 million Euro in this associate. During 2022, the Group has recognized losses amounting to 0.7 million Euro in relation to its interest in this associate (2021: 0,2 million Euro). The carrying amount of the investment in Penny Black amounts to 0.7 million Euro after equity pick-up.

MILLION EURO	2021 Penny Black (49.63%)	**2022 Penny Black (49.80%)**
Carrying amount of interests, including goodwill	0.7	0.7
Net loss after taxes	(0.3)	(1.3)
Group's share of net loss after taxes	**(0.2)**	**(0.7)**
Other Comprehensive Income of MphRx	-	-
Group's share of Other Comprehensive Income	**-**	**-**
Summarized financial information		
Non-current assets	0.4	-
Current assets	1.1	1.3
Equity	1.5	1.2
Current liabilities	-	0.1
Group's share of equity	**0.7**	**0.7**
Goodwill included in carrying amount of the investment	-	-
Carrying amount of investment in other affiliates	**0.7**	**0.7**

30.2. Financial assets

At December 2022 and 2021, financial assets at fair value through OCI comprise the investment in Digital Illustrate Inc., a Korean UV printer manufacturer. The Group owns 15% of the shares of this company. This investment is carried at fair value, being the quoted price on the stock exchange with changes in fair value booked in OCI.

The Group designated this investment as at FVOCI because this represents an investment that the Group intends to hold for the long term for strategic purposes. During 2022, no dividends have been received (2021: 0 million Euro).

MILLION EURO	2021	**2022**
Financial assets at fair value through OCI - Equity instruments	7	4
Financial assets at amortized cost	4	1
TOTAL	**10**	**5**

31. RECEIVABLES UNDER FINANCE LEASES

Lease agreements in which the other party, as lessee, is to be regarded as the economic owner of the leased assets give rise to accounts receivable in the amount of the discounted future lease payments. These receivables amounted to 105 million Euro as of December 31, 2022 (2021: 102 million Euro) and will bear interest income until their maturity dates of 11 million Euro (2021: 10 million Euro).

As of December 31, 2022, the impairment losses on the receivables under finance leases amounted to 1 million Euro (2021: 2 million Euro).

The receivables under finance leases can be presented as follows:

MILLION EURO	2021			2022		
	Total future payments	Unearned interest income	Present value	**Total future payments**	**Unearned interest income**	**Present value**
Not later than one year	36	4	32	37	4	33
Year +2	28	3	25	28	3	25
Year +3	22	2	21	21	2	19
Year +4	12	1	12	15	1	14
Year +5	6	-	6	9	1	8
Later than five years	4	-	3	4	-	4
Total minimum lease payments	**108**	**10**	**99**	**114**	**11**	**104**
Unguaranteed residual value	3	-	3	1	-	1
TOTAL	**110**	**10**	**102**	**115**	**11**	**105**
Impairment losses			(2)			(1)
Receivables under finance lease			100			103

The Group leases out its commercial equipment under finance leases mainly via Agfa Finance (i.e. Agfa Finance NV, Agfa Finance Corp. and Agfa Finance Inc.) and via Agfa sales organizations in Australia and Belgium.

At the inception of the lease, the present value of the minimum lease payments generally amounts to at least 90% of the fair value of the leased assets.

The major part of the leases concluded with Agfa Finance typically run for a non-cancellable period of four years. The contracts generally include an option to purchase the leased equipment after that period at a price that generally lies between 2% and 5% of the gross investment at the inception of the lease.

Sometimes, the fair value of the leased asset is paid back by means of a purchase obligation for consumables at a value higher than its market value, in such a way that this mark-up is sufficient to cover the amount initially invested by the lessor.

In these types of contracts the mark-up and or the lease term can be subject to change.
Agfa Finance offers its products via its subsidiaries in France and Italy and its branches in Europe (Spain, Switzerland, Benelux, Germany, UK and the Nordic countries), via Agfa Finance Corp. in the US and Agfa Finance Inc. in Canada. As of December 31, 2022, the present value of the total future lease payments before impairment losses for Agfa Finance amounted to 104 million Euro (2021: 101 million Euro).

The Agfa sales organization in Australia offers customer financing of graphical equipment with an average remaining term of 12 months and in Belgium, Agfa Offset BV is the lessor of offset equipment. As of December 31, 2022, the present value of the total future lease payments before impairment losses for these sales organizations are 1 million Euro (2021: 1 million Euro).

During 2022 and 2021, the Group hasn't sold any receivables under finance lease.

32. INVENTORIES

MILLION EURO	2021	2022
Raw materials and auxiliaries	69	92
Work in progress and semi-finished goods	100	118
Finished goods	29	30
Goods purchased for resale including spare parts	192	224
Inventory in transit & other inventory	29	22
TOTAL	**418**	**487**

In 2022, inventories are written down to net realizable value for an amount of 12 million Euro (2021: 12 million Euro). These write-downs relate to obsolete, damaged or expired inventory. Write-downs of inventories are included in cost of sales in the consolidated statement of profit or loss.

Increased inventory levels versus last year are mainly driven by inflation, supply chain issues, component shortages and the acquisition of Inca Digital Printers.

In the course of 2022, the Group acquired Inca Digital Printers (see Note 19). Inventories acquired in this business combination were valued at fair value less costs to sell being the estimated selling price in the ordinary course of business less estimated costs of completion and sale and a reasonable profit margin based on the effort required to sell the inventory.

33. OTHER RECEIVABLES

Other receivables can be presented as follows:

MILLION EURO	2021	2022
Uninstalled leases (1)	-	(2)
Deferred purchase price related to the Inca acquisition	-	3
Subsidies and grants	1	-
Payroll receivables	-	1
Other receivables	3	4
TOTAL	**4**	**6**

(1) Leased equipment not yet installed at the client's premises.

34. CASH AND CASH EQUIVALENTS

The reconciliation of cash and cash equivalents with its corresponding items in the statement of financial position can be presented as follows:

MILLION EURO	2021	2022
Total cash and cash equivalents as reported in the consolidated statement of financial position	**398**	**138**
Bank overdrafts (reported under current loans and borrowings)	-	-
Total cash and cash equivalents as reported in the consolidated statement of cash flows	**398**	**138**

35. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets, classified as held for sale, relate to the planned sale of the closed offset printing plate factory in Vallese (Italy) belonging to the Offset Solutions segment. The sale is planned for next year. Related land, buildings and infrastructure are measured at their carrying amount at December 31, which is lower than the fair value less costs to sell.
The site in Pont-à-Marcq (France), classified as held-for-sale last year was successfully sold in 2022.
The site in Leeds (UK), classified as held-for-sale in 2020 was successfully sold in 2021 with a gain amounting to 7 million Euro (see Note 9.1 'Other operating income').

36. OTHER ASSETS

Other non-current and current assets can be presented as follows:

MILLION EURO	2021	2022
Non-current		
Multi year service contracts (strategic suppliers)	1	-
Prepayments (see Note 46.2 Other related party transactions)	10	7
Total non-current	**11**	**8**
Current		
Multi year service contracts (strategic suppliers)	8	10
Advances on costs	-	-
Guarantees and deposits	7	3
Prepayments	3	3
Other	1	-
Total current	**18**	**17**
TOTAL	**29**	**24**

EQUITY AND LIABILITIES

37. EQUITY

The various components of Equity and the changes therein from January 1, 2021 to December 31, 2022 are presented in the Consolidated Statements of Changes in Equity.

37.1 Share capital and share premium

At December 31, 2022 and 2021, the issued capital of the Company amounts to 187 million Euro. The outstanding ordinary shares amount to 154,820,528 at December 31, 2022 (2021: 160,506,706 outstanding shares).

37.2 Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At December 31, 2022, the Group does not hold own shares (2021: 68,053).

On March 10, 2021, the Group has announced a share buyback program with a volume up to 50 million Euro. Agfa-Gevaert NV has requested a financial intermediary to repurchase Agfa-Gevaert shares for a maximum amount of 50,000,000 Euro on its behalf under the terms of an initial discretionary mandate agreement with validity until March 31, 2022, effective as from April 1, 2021. On March 8, 2022, the Board of Directors decided to extend the '2021 Share Buyback program' through March 31, 2023 (the 'Extended Share Buyback Program 2021').

Since the beginning of the share buyback program until June 9th, 2022, based on the transaction date, the Agfa-Gevaert Group bought 12,930,662 own shares (2021 : 7,312,537 shares; 2022 : 5,618,125 shares) for a total amount of 50 million Euro (2022 : 21 million Euro; 2021 : 29 million Euro). With this announcement, Agfa-Gevaert NV has completed its share buyback program that had started on April 1, 2021.

In the first half-year of 2022, the Group has purchased 5,618,125 own shares for an amount of 21 million Euro. These shares were cancelled in the course of the first half-year of 2022 (2021 : 11,344,336 cancellation of shares). At December 31, the Group does not hold own shares.

37.3 Revaluation reserve

The revaluation reserve comprises the revaluation of the Group's investment in Digital Illustrate Inc. which is irrevocably designated at fair value through OCI and will subsequently not be recycled to profit or loss.

37.4 Hedging reserve

As of December 31, 2022, the hedging reserve comprises the effective portion of the cumulative net change in fair value of foreign exchange contracts designated as cash flow hedges.

In the course of 2022 and 2021, the Group designated foreign exchange contracts as 'cash flow hedges' of its foreign currency exposure in US Dollar related to highly probable forecasted revenue over the following 12 months. The portion of the gain on the forward exchange contracts that is determined to be an effective hedge is recognized directly in 'Other comprehensive income' (December 31, 2022: -2 million Euro net of tax, December 31, 2021: - 2 million Euro net of tax).

A reconciliation of hedge reserve in tabular format for each type of risk is provided in Note 21.4.

37.5 Remeasurement of the net defined benefit liability

Remeasurements of the net defined benefit liability comprise both the impact of the first time adoption of the 2011 amendment of IAS 19 and all subsequent remeasurements of the net defined benefit liabilities. Remeasurements of the net defined benefit liability primarily relate to actuarial gains and losses and return on plan assets, excluding the amounts included in net interest on the net defined benefit liabilities.

The evolution for the year 2022 is as follows:

MILLION EURO	December 31, 2021	Remeasurement of the net defined benefit liability	Tax impact	December 31, 2022
		Note 13	Note 17.4	
Remeasurement of the net defined benefit liability				
Related to material countries	(1,006)	145	(23)	(883)
Related to non-material countries	(27)	2	-	(25)
TOTAL	**(1,033)**	**148**	**(23)**	**(908)**

The movement of the year, net of tax amounts is an increase of 128 million Euro. Deferred taxes related to the effects of remeasurements are also recognized in 'Other comprehensive income'. The tax effect is further explained in Note 17.4.

37.6 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of financial instruments that hedge the Company's net investment in a foreign subsidiary.

Until May 2016, the Group utilized forward exchange contracts to hedge the foreign currency exposure of the Group's net investment in one of its subsidiaries in the United States. As from May 2016, the Group has revoked the designation of the hedge. The gain on the hedging instrument relating to the effective portion of the hedge that was recognized in 'Other comprehensive income' (December 31, 2022: 10 million Euro, December 31, 2021: 10 million Euro) shall be reclassified from equity to profit or loss on the disposal of the foreign operation.

37.7 Dividends

For 2021, no dividend has been paid out based on the decision of the General Assembly of Shareholders of Agfa-Gevaert NV on May 11, 2021. For 2022, no dividend has been paid out based on the decision of the General Assembly of Shareholders of Agfa-Gevaert NV on May 10, 2022. For 2023, no dividend has been recommended by the Board of Directors.

37.8 Non-controlling interests

Non-controlling interests have a material interest in nine subsidiaries of the Group in Greater China and the ASEAN region (December 31, 2022: 40 million Euro; December 31, 2021: 52 million Euro). In Europe, there are a few subsidiaries in which non-controlling interests have an interest that is of minor importance to the Group (December 31, 2022: 1 million Euro; December 31, 2021: 1 million Euro).

In Greater China and the ASEAN region, the Group and its business partner Shenzhen Brother Gao Deng Investment Group Co., Ltd. combined as of 2010 their activities aiming at reinforcing the market position in the Greater China and the ASEAN region. Shenzhen Brother Gao Deng Investment Group Co., Ltd. has a 49% stake in Agfa Graphics Asia Ltd., the holding company of the combined operations of both parties.

The subsidiaries of Agfa Graphics Asia Ltd. at December 31, 2022 are:
- Agfa (Wuxi) Printing Plate Co., Ltd.
- Agfa ASEAN Sdn. Bhd.
- Agfa Imaging (Shenzhen) Co., Ltd.
- Agfa Singapore Pte. Ltd.
- Agfa Taiwan Co., Ltd.
- Agfa Graphics Shanghai Co., Ltd.
- Agfa Pty Ltd.
- OOO Agfa Graphics
- Agfa HuaGuang (Shanghai) Graphics

Based on the current governance structure, the Group has determined that it has control over these subsidiaries. At December 31, 2022, the accumulated amount of non-controlling interests attributable to Shenzhen Brother Gao Deng Investment Group Co., Ltd. and Lucky HuaGuang Graphics Co., Ltd. amounts to 40 million Euro, including the loss allocated to non-controlling interests of these business partners amounts (2 million Euro).

The following table summarizes the information relating to the companies in which the business partner Shenzhen Brother Gao Deng Investment Group has a non-controlling interest of 49%, and information relating to the non-controlling interest in the company Agfa HuaGuang (Shanghai) Graphics. This company was newly established in 2019 by Agfa Graphics Asia, in which the Group has a stake of 51% and by Lucky HuaGuang Graphics Co. The latter holds a stake of 49% in this newly established company which brings the share in this newly established company belonging to minority shareholders to 73.99%. The information provided is before intercompany eliminations with other companies of the Agfa-Gevaert Group.

	2021		**2022**	
MILLION EURO	Agfa Graphics Asia Ltd. and subsidiaries (49%)	Agfa HuaGuang Graphics (73,99%)	**Agfa Graphics Asia Ltd. and subsidiaries (49%)**	**Agfa HuaGuang Graphics (73,99%)**
Current assets	98	49	79	43
Non-current assets	49	1	35	-
Current liabilities	47	45	38	38
Non-current liabilities	2	-	2	-
Net assets Agfa Graphics Asia Ltd. and its subsidiaries (consolidated)	**99**	**5**	**74**	**5**
Carrying amount of non-controlling interests in Agfa Graphics Asia Ltd. and its subsidiaries (49%)	*48*	-	*36*	-
Carrying amount of non-controlling interests in Agfa HuaGuang Graphics (73.99%)	-	*4*	-	*4*
Revenue	164	132	172	119
Profit for the year	8	-	(5)	-
Profit allocated to non-controlling interests in Agfa Graphics Asia Ltd. and its subsidiaries (49%)	*4*	-	*(2)*	-
Profit allocated to non-controlling interests in Agfa HuaGuang Graphics Asia (73.99%)	-	-	-	-
Other comprehensive income: translation differences	4	-	-	-
Other comprehensive income allocated to non-controlling interests in Agfa Graphics Asia Ltd. and its subsidiaries (49%)	**-**	**-**	**-**	**-**
Total comprehensive income allocated to non-controlling interests in Agfa Graphics Asia Ltd. and its subsidiaries (49%)	*8*	-	*(2)*	-
Total comprehensive income allocated to non-controlling interests in Agfa HuaGuang Graphics (73.99%)	-	-	-	-
Cash flows from operating activities	21	1	38	1
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	(27)	-	(25)	(1)
Dividends paid to non-controlling interests during the year (1)	***(5)***	**-**	***(10)***	***(1)***

(1) Included in cash flows from financing activities.

37.9 Other comprehensive income - net of tax

2021

MILLION EURO	Attributed to owners of the Company					Non-controlling interests	TOTAL OTHER COMPREHENSIVE INCOME
	Translation reserve	Hedging reserve	Revaluation reserve	Remeasurement of the net defined benefit liability	TOTAL		
Exchange differences on translation of foreign operations	26	-	-	-	26	4	30
Effective portion of changes in fair value of cash flow hedges, net of tax	-	5	-	-	5	-	5
Net changes in fair value of cash flow hedges reclassified to profit or loss, net of tax	-	(1)	-	-	(1)	-	(1)
Net changes in fair value of cash flow hedges transferred to initial carrying amount of hedged items, net of tax	-	(13)	-	-	(13)	-	(13)
Net change in fair value of equity investments through OCI	-	-	2	-	2	-	2
Remeasurement of the net defined benefit liability, net of tax	-	-	-	89	89	-	89
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX	**26**	**(9)**	**2**	**89**	**109**	**4**	**112**

2022

MILLION EURO	Attributed to owners of the Company					Non-controlling interests	TOTAL OTHER COMPREHENSIVE INCOME
	Translation reserve	Hedging reserve	Revaluation reserve	Remeasurement of the net defined benefit liability	TOTAL		
Exchange differences on translation of foreign operations	7	-	-	-	7	-	7
Effective portion of changes in fair value of cash flow hedges, net of tax	-	(5)	-	-	(5)	-	(5)
Net changes in fair value of cash flow hedges reclassified to profit or loss, net of tax	-	5	-	-	5	-	5
Net changes in fair value of cash flow hedges transferred to initial carrying amount of hedged items, net of tax	-	-	-	-	-	-	-
Net change in fair value of equity investments through OCI	-	-	(2)	-	(2)	-	(2)
Remeasurement of the net defined benefit liability, net of tax	-	-	-	125	125	-	125
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX	**7**	**-**	**(2)**	**125**	**130**	**-**	**130**

38. LOANS AND BORROWINGS

MILLION EURO	2021	**2022**
Non-current liabilities	**46**	**41**
Revolving credit facility	(1)	(1)
Lease liabilities	47	42
Current liabilities	**27**	**25**
Liabilities to banks	3	4
Debentures	-	-
Bank overdrafts	-	-
Lease liabilities	24	20
TOTAL LOANS AND BORROWINGS	**72**	**66**

38.1 Revolving credit facility

On March 5, 2021, Agfa-Gevaert NV closed a three-year multi-currency revolving credit facility of 230 million Euro. This facility is unsecured and provides for an extension of the term of two times one year. In the course of 2022, the facility has been extended with one additional year, extending the maturity date until March 2025. In January 2023, this facility had again been extended with one additional year through to March 2026. The new revolving credit facility will be used for general corporate purposes. The applicable interest rate is Euribor, Libor or its equivalent replacement benchmark (Reuters) and a margin. In general, drawdowns under this facility are made for short periods, but the Group has the discretion to rollover the liability under the existing committed loan facility.
The conditions of the revolving credit facility stipulate that in case of a significant disposal of part of the Group, an event of default could occur. Pro-actively , the Group has obtained a waiver for the potential event of default related to the disposal of the Offset business.
At December 31, 2022 and 2021, there were no drawdowns under this facility.

MILLION EURO	Notional amount		Outstanding amount		Currency	Interest rate	
Maturity date	2021	**2022**	2021	**2022**		2021	**2022**
2025	230	230	-	-	EUR	-	-
TOTAL	**230**	**230**	**-**	**-**			

38.2 Lease liabilities

The group mainly leases buildings (such as office buildings and warehouses), company cars, other transportation equipment (such as forklifts), and other equipment (such as IT equipment).
Building leases include both annually renewable contracts with options to renew the lease, as well as leases with longer fixed lease terms. The lease liability relating to building leases amounts to 45 million Euro or approximately 72% of the Group's lease liability, and has an average estimated remaining lease term of three years.
Company car leases typically run for a period of four to five years and represent approximately 26% of the Group's lease liability. Other leases represent less than 2% of the Group's lease liability and include forklifts, printers, packaging systems, etc.
Lease liabilities are payable as follows:

MILLION EURO	2021		**2022**	
Maturing	Outstanding amount	Incremental borrowing rate	**Outstanding amount**	**Incremental borrowing rate**
< 1 year	24	2.5%	20	2.4%
Between 1-5 years	43	2.5%	35	3.2%
> 5 years	3	5.8%	6	5.3%
TOTAL	**71**		**62**	

Lease liabilities do not comprise costs for low value leases, short-term leases and other out of scope costs, amounting to 11 million Euro in total (2021: 9 million Euro).

38.3 Liabilities to banks

Liabilities to banks comprise at December 31, 2022, short-term facilities in LATAM and ASPAC countries with a weighted average interest rate of 6.36% (2021: 16.6%).

38.4 Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

MILLION EURO	Balance at January 1, 2022	Cash flows from financing activities: Interests paid (2)	Net repayment/ proceeds of borrowings	Non-cash changes: New lease contracts	Effect of changes in foreign exchange rate	Revaluation of lease contracts	Interest expense on loans and borrowings	Business Combinations	Balance at December 31, 2022
Revolving credit facility	(1)	-	-	-	-	-	-	-	(1)
Liabilities to banks	3	(3)	1	-	-	-	3	-	4
Debentures	-	-	-	-	-	-	-	-	-
Lease liabilities	70	-	(30) (1)	14	-	(3)	2	8	62
Bank overdrafts	-	-	-	-	-	-	-	-	-
Total Loans and borrowings	**72**	**(3)**	**(29)**	**14**	**-**	**(3)**	**5**	**8**	**66**

(1) Comprises interests paid (2 million Euro).
(2) Interests paid in cash flow statement comprises interests paid on net financial debt (3 million Euro), interests paid on cash and cash equivalents (1 million Euro), and on other financial assets and liabilities (1 million Euro).

39. PROVISIONS

As of December 31, 2022, provisions amounted to 50 million Euro (2021: 54 million Euro).

MILLION EURO	Environmental	Trade-related	Restructuring	Other	TOTAL
Provisions at December 31, 2021	**3**	**10**	**33**	**8**	**54**
Provisions made during the year	-	-	26	1	27
Provisions used during the year	(1)	(1)	(24)	(1)	(27)
Business combinations divestment	-	-	(1)	-	(1)
Provisions reversed during the year	-	(1)	(3)	-	(4)
Exchange differences	-	-	-	-	-
Transfers	-	-	-	-	-
Provisions at December 31, 2022	**2**	**9**	**31**	**8**	**50**

Provisions for environmental protection relate to future re-landscaping, landfill modernization and the remediation of land contaminated by past industrial operations.

Provisions for trade-related commitments at closing date and related flows during the year primarily comprise commissions to agents, warranty provisions and commercial litigations.

Provisions for restructuring mainly comprise employee related costs regarding the announced reorganization and transformation projects.

Additions for this year mainly comprise costs linked to specific cost saving measures for Radiology and DPC, Finance as well as costs for a voluntary leave plan for people aged above 60 in Belgium and individual efficiency restructuring initiatives. Other provisions comprise a provision for dismantling of the Offset production site in Germany, legal claims (including lawyer fees) and a legal claim regarding import duties.

40. OTHER PAYABLES

The other payables at December 31, 2022, amounting to 6 million Euro (2021: 9 million Euro) comprise a liability mandatorily measured at fair value through profit or loss (2022: 2 million Euro, 2021: 2 million Euro) related to a deposit of 3.4 ton silver placed by a metal recovery and refining company valued at the quoted market price interests, share-based payment transactions (see Note 15), tantièmes, accruals for insurances, finance leases, liabilities against staff resulting from compensation of travel and other personal related expenses and other various amounts payable.

41. OTHER LIABILITIES

The other liabilities current and non-current at December 31, 2022, amounting in aggregate to 1 million Euro (2021: less than 0.5 million Euro) comprise the unearned portion of government grants and subsidies and other current liabilities.

LIST OF SUBSIDIARIES

42. INVESTMENTS IN SUBSIDIARIES

The ultimate parent of the Group is Agfa-Gevaert NV (BE 0404 021 727), Mortsel (Belgium). The Company is the parent company for the following significant subsidiaries.

Consolidated companies, December 31, 2022		
Name of the company	Location	Effective interest %
Agfa (Pty.) Ltd.	Isando/Rep. of South Africa	51
Agfa (Wuxi) Imaging Co. Ltd.	Wuxi/PR China	99.16
Agfa (Wuxi) Printing Plate Co. Ltd.	Wuxi/PR China	51
Agfa ASEAN Sdn. Bhd.	Kuala Lumpur/Malaysia	51
Agfa Corporation	Elmwood Park/United States of America	100
Agfa de Mexico S.A. de C.V.	Mexico D.F./Mexico	100
Agfa Finance Corp.	Wilmington/United States of America	100
Agfa Finance Inc.	Toronto/Canada	100
Agfa Finance Italy SpA	Milan/Italy	100
Agfa Finance NV	Mortsel/Belgium	100
Agfa Graphics Argentina S.A.	Buenos Aires/Argentina	100
Agfa Graphics Asia Ltd.	Hong Kong/PR China	51
Agfa Graphics Ecuador CIA. LTDA	Quito/Ecuador	100
Agfa Graphics Ltd.	Leeds/United Kingdom	100
Agfa Middle East FZCO	Dubai/United Arab Emirates	100
Agfa NV	Mortsel/Belgium	100
Agfa Graphics S.r.l.	Milano/Italy	100
Agfa S.A. (Arg)	Buenos Aires/Argentina	100
Agfa HealthCare Australia Pty. Ltd.	Scoresby/Australia	100
Agfa Do Brasil Ltda.	Sao Paulo/Brazil	100
Agfa HealthCare Chile Ltda.	Santiago de Chile/Chile	100
Agfa HealthCare Colombia Ltda.	Bogota/Colombia	100
Agfa HealthCare Corporation	Greenville/United States of America	100
Agfa HealthCare Denmark A/S	Copenhagen/Denmark	100
Agfa HealthCare Germany GmbH	Düsseldorf/Germany	100
Agfa HealthCare Hong Kong Ltd.	Hong Kong/PR China	100
Agfa HealthCare Inc.	Mississauga/Canada	100
Agfa HealthCare India Private Ltd.	Thane/India	100
Agfa HealthCare Luxembourg S.A.	Bertrange/Luxembourg	100
Agfa HealthCare Malaysia Sdn. Bhd.	Kuala Lumpur/Malaysia	100
Agfa HealthCare Mexico S.A. de C.V.	Mexico D.F./Mexico	100
Agfa HealthCare Norway AS	Oslo/Norway	100
Agfa HealthCare NV	Mortsel/Belgium	100
Agfa HealthCare Saudi Arabia Company Limited LLC	Riyadh/Saudi Arabia	100
Agfa HealthCare (Shanghai) Co. Ltd.	Shanghai/PR China	100
Agfa HealthCare Singapore Pte. Ltd.	Singapore/Republic of Singapore	100
Agfa HealthCare South Africa Pty. Ltd.	Gauteng/Rep. of South Africa	100
Agfa HealthCare Spain S.A.U.	Barcelona/Spain	100
Agfa HealthCare Sweden AB	Kista/Sweden	100
Agfa HealthCare UK Limited	Brentford/United Kingdom	100
Agfa Imaging (Shenzhen) Co. Ltd.	Shenzhen/PR China	51
Agfa Inc.	Mississauga/Canada	100
Agfa Industries Korea Ltd.	Seoul/Korea	100
Agfa Ltd.	Dublin/Ireland	100
Agfa Materials Corporation	Wilmington/United States of America	100
Agfa Materials Japan Ltd.	Tokyo/Japan	100
Agfa Materials Taiwan Co. Ltd.	Taipei/Taiwan	100
Agfa Singapore Pte. Ltd.	Singapore/Republic of Singapore	51
Agfa Solutions SAS	Rueil-Malmaison/France	100

Agfa Sp. z.o.o.	Warsaw/Poland	100
Agfa Taiwan Co. Ltd.	Taipei/Taiwan	51
Agfa-Gevaert M.A.E.B.E.	Athens/Greece	100
Agfa GmbH	Düsseldorf/Germany	100
Agfa-Gevaert Argentina S.A.	Buenos Aires/Argentina	100
Agfa-Gevaert B.V.	Rijswijk/the Netherlands	100
Agfa-Gevaert Colombia Ltda.	Bogota/Colombia	100
Agfa-Gevaert do Brasil Ltda.	Sao Paulo/Brazil	100
Agfa-Gevaert Graphic Systems GmbH	Düsseldorf/Germany	100
Agfa-Gevaert HealthCare GmbH	Düsseldorf/Germany	100
Agfa-Gevaert Japan, Ltd.	Tokyo/Japan	100
Agfa-Gevaert Limited	Scoresby/Australia	100
Agfa-Gevaert Limited	Brentford/United Kingdom	100
Agfa-Gevaert Ltda.	Santiago De Chile/Chile	100
Agfa-Gevaert GmbH	Düsseldorf/Germany	100
Agfa-Gevaert NZ Ltd.	Auckland/New Zealand	100
Agfa-Gevaert S.A.S.	Pont-à-Marcq/France	100
Agfa-Gevaert S.p.A.	Milan/Italy	100
Lastra Attrezzature S.r.l.	Manerbio/Italy	60
Litho Supplies (UK) Ltd.	Derby/United Kingdom	100
Luithagen NV	Mortsel/Belgium	100
New ProImage America Inc.	Princeton/United States of America	100
New ProImage Ltd.	Netanya/Israel	100
OOO Agfa Graphics	Moscow/Russian Federation	51
OOO Agfa	Moscow/Russian Federation	100
Agfa HealthCare Kazakhstan LLP	Almaty/Republic of Kazakhstan	100
Agfa HealthCare Ukraine LLC	Kyiv/Ukraine	100
PT Gevaert-Agfa HealthCare Indonesia	Jakarta/Indonesia	100
Bodoni Systems	Watford/United Kingdom	100
Agfa HealthCare Middle East FZ-LLC	Dubai/United Arab Emirates	100
Agfa HealthCare IT UK Limited	Middlesex/United Kingdom	100
Agfa South Africa (Pty) Ltd.	Gauteng/Rep. of South Africa	100
Agfa Australia Pty Ltd.	Scoresby/Australia	100
Agfa Canada Inc.	Mississauga/Canada	100
Agfa US Corp.	Greenville/United States of America	100
Agfa Graphics Shanghai Co. Ltd.	Shanghai/PR China	51
Agfa HealthCare IT (Shanghai) Co. Ltd.	Shanghai/PR China	100
Agfa Hong Kong Ltd.	Hong Kong/PR China	100
Agfa HealthCare Vietnam Co. Ltd.	Ho Chi Minh City/Vietnam	100
Agfa HuaGuang (Shanghai) Graphics Equipment Ltd.	Shanghai/PR China	26.01
Agfa Materials Korea Co Ltd.	Seoul/Korea	100
Agfa Ré S.A.	Luxembourg/Luxembourg	100
Agfa Offset Colombia S.A.S.	Bogota/Colombia	100
Agfa Offset BV	Mortsel/Belgium	100
Agfa Offset US Corp.	Delaware/United States of America	100
Agfa Offset Canada Inc.	Mississauga/Canada	100
Agfa Offset Single Member S.A.	Athens/Greece	100
Inca Digital Printers	Cambridge/United Kingdom	100
Agfa IJC	Cambridge/United Kingdom	100
Agfa Alterssicherungs-AG	Düsseldorf/Germany	100

43. EQUITY ACCOUNTED INVESTEES

Associated companies, December 31, 2022		
Name of the company	Location	Effective interest %
Penny Black BV	Antwerp/Belgium	49.80

OTHER INFORMATION

44. OPERATING LEASES

Within the segment HealthCare IT, the Group offers Software as a Service ('SaaS') which are offsite, onsite or hybrid models under which software, hardware and services are offered to the customer on a pay-per-use basis or a monthly/annual fee basis. The Group guarantees the management of the system over the contract period, and provides daily technical operations, maintenance and support to the customer. These contracts can comprise an operating lease component. The lease income related to this contracts amounts to 14 million Euro during 2022 (2021: 12 million Euro) and was recognized in revenue based upon use/consumption by the client.
The Group moreover offers 'bundle deals' whereby equipment usage is financed by an uplift on consumables purchased by the customer. An operating lease component can be embedded in these type of contracts. The operating lease component is recognized in revenue based on the consumables purchase.

The total of assets in operating lease contracts recognized in the statement of financial position at December 31, 2022 amounts to 4 million Euro (December 31, 2021: 6 million Euro) (see Note 28).

45. COMMITMENTS AND CONTINGENCIES

45.1 Contingencies

Contingencies resulted entirely from commitments given to third parties and comprise:

MILLION EURO	2021	**2022**
Bank guarantees	32	36
Other	-	-
Corporate guarantees	188	184
TOTAL	**220**	**220**

Corporate guarantees mainly relate to guarantees given by the parent company on behalf of its subsidiaries towards banks and mainly relate to the revolving credit facility (see Note 38.1) and other negotiated credit lines.

There are no purchase commitments in connection with major capital expenditure projects for which the respective contracts have already been awarded or orders placed.

45.2 Legal risks/contingencies

The Group is currently not involved in any major litigation apart from those related to the AgfaPhoto insolvency.

AgfaPhoto
In connection with the divestment of the Consumer Imaging business of Agfa-Gevaert AG and certain of its subsidiaries, the Group entered into various contractual relationships with AgfaPhoto Holding GmbH, AgfaPhoto GmbH and their subsidiaries in various countries (the 'AgfaPhoto group'), providing for the transfer of its Consumer Imaging business, including assets, liabilities, contracts and employees, to AgfaPhoto group companies.

Subsequent to the divestment, insolvency proceedings have been opened with respect to AgfaPhoto GmbH and a number of its subsidiaries in both Germany and other countries. The Group had been sued through lawsuits or other actions in various countries in connection with a number of disputes. Those disputes have been resolved, with the exception of the following dispute.
With respect to that divestment, the insolvency receiver of AgfaPhoto GmbH initiated various arbitration proceedings before the ICC International Court of Arbitration in Paris. In arbitration proceeding ICC N°. 15362, the receiver claimed damages allegedly suffered as a result of, inter alia, the alleged undercapitalization of AgfaPhoto GmbH and the alleged causation of the insolvency of AgfaPhoto GmbH. The ICC Tribunal issued a final award on May 31, 2018, through which it dismissed all of the insolvency receiver's claims, and ordered him to reimburse to Agfa a very substantial part of the costs that Agfa

incurred in that arbitration proceeding. The insolvency receiver filed a request for the annulment of that final award before a German court ('Oberlandesgericht Frankfurt/Main' or 'OLG') in October 2018. By judgment of January 16, 2020, the OLG declared the annulment of the final award of May 31, 2018. The concerned Agfa companies appealed this judgment before the 'Bundesgerichtshof' (BGH). The BHG confirmed the judgment of the OLG by decision of November 26, 2020 which was communicated to Agfa on January 20, 2021. The concerned Agfa companies decided not to appeal this decision before the German Federal Constitutional Court ('Bundesverfassungsgericht'). Consequently, the final award of May 31, 2018 has been set aside definitively. After an unsuccessful conciliation attempt the insolvency receiver of AgfaPhoto GmbH initiated a new arbitration proceeding before the ICC International Court of Arbitration in April 2021 (ICC N°. 26175), in which he pursues his claim for damages allegedly suffered as a result of the alleged undercapitalization of AgfaPhoto GmbH, in addition to the reimbursement of his costs borne in the first arbitration (ICC N°. 15362). An ICC tribunal with three arbitrators was formed in the course of 2021. In the course of 2022, the insolvency receiver submitted his full Statement of Claim and Agfa submitted its Statement of Defense. In the course of 2023, the insolvency receiver will submit his full Reply Brief and Agfa will submit its Rejoinder Brief. A hearing is scheduled to take place in the last quarter of 2023. The Group will vigorously defend itself in this new procedure.

Other

Further legal risks for the Group exist with regard to a dispute with a former distributor of the Group's products in Bolivia who claims compensation for breach of contract. The Group believes it has meritorious defenses in this lawsuit and is defending itself vigorously.

46. RELATED PARTY TRANSACTIONS

46.1 Transactions with Directors and members of the Executive Management (key management personnel)

Key management personnel compensation (excluding employer's social contribution) included in profit or loss can be detailed as follows:

	2021		**2022**	
MILLION EURO	Directors	Executive Management	**Directors**	**Executive Management**
Short-term employee benefits	0.5	3.3	0.5	3.3
Termination benefits		-		-
Post-employment benefits		0.2		0.3
Share-based payment		0.6		0.3
TOTAL	**0.5**	**4.1**	**0.5**	**3.9**

As of December 31, 2022, there were no loans outstanding neither to members of the Executive Management nor to members of the Board of Directors.
Pension provisions for members and retired members of the Executive Management, amounting to 11 million Euro, are reflected in the statement of financial position of the Group at December 31, 2022. Key management personnel remuneration is also included in the Remuneration Report (see pages 279-284).

46.2 Other related party transactions

Transactions with related companies are mainly trade transactions.

The Group and its business partner Shenzhen Brother Gao Deng Investment Group Co., Ltd. combined as of 2010 their activities aiming at reinforcing both partners' market position in Greater China and ASEAN region.
Shenzhen Brother Gao Deng Investment Group Co., Ltd. has a 49% stake in Agfa Graphics Asia Ltd., the holding company of the combined operations of both parties. In 2019, the Group transferred two subsidiaries to Agfa Graphics Asia Ltd. Also in 2019, Agfa Graphics Asia established a new company, Agfa HuaGuang (Shanghai) Graphics, in which a new business partner Lucky HuaGuang Graphics Co., Ltd. participated for 49%. This strategic alliance should allow both business partners to realize growth through the optimization of their respective strengths in the field of manufacturing, technology and distribution of graphics prepress products and services. See also Note 37.8 'Non-controlling interests.'
The following table summarizes the transaction values and the outstanding balances between the Group and its related

parties Shenzhen Brother Gao Deng Investment Group Co., Ltd. and Lucky HuaGuang Graphics Co., Ltd. In the course of 2022, Shenzhen Brother Gao Deng Investment Group Co., Ltd. received a dividend of 10 million Euro (49%). In the course of 2022, Lucky HuaGuang Graphics Co., Ltd. received a dividend of 1 million Euro.

MILLION EURO	Transaction value for the year ended December 31		Balance outstanding at December 31	
	2021	**2022**	2021	**2022**
Sales to Shenzhen Brother Gao Deng Investment Group Co., Ltd.	26	14	8	2
Sales to Lucky HuaGuang Graphics Co., Ltd.	13	8	4	1
Purchases from Shenzhen Brother Gao Deng Investment Group Co., Ltd.	59	90	1	1
Purchases from Lucky HuaGuang Graphics Co., Ltd.	175	165	62	62
Dividend	5	11	1	-
Prepayment	-	-	10	7

Prepayments with an outstanding balance of 7 million Euro relate to supplier advances against companies of the Shenzhen Brother Gao Deng Group for whose account the film conversion takes place and from whom aluminum is bought.
The advance is amortized based upon future film volumes supplied to Agfa Graphics Asia Ltd. The outstanding amount of 7 million Euro is recognized as 'Other assets' (see Note 36).

47. EVENTS SUBSEQUENT TO DECEMBER 31, 2022

There are no subsequent events.

48. INFORMATION ON THE AUDITOR'S ASSIGNMENTS AND RELATED FEES

The following fees for the services of KPMG Bedrijfsrevisoren/Réviseurs d'Entreprises were recognized as an expense:

Euro	2021	**2022**
Fees of the independent auditor with respect to the statutory audit mandate for the Company and the Group (Belgium)	**890,350**	**982,520**
Fees for non-audit services rendered by the independent auditor to the Company and the Group		
Other attestation	25,500	20,000
Tax	-	-
Other non-audit	-	-
SUBTOTAL	**915,850**	**1,002,520**
Fees of independent auditor's network with respect to a statutory audit mandate at the level of the Group (foreign operations)	**591,911**	**668,494**
Fees for non-audit services rendered by the independent auditor's network to the Group (Belgian and foreign operations)		
Other attestation	25,000	25,078
Tax	48,747	127,425
Other non-audit	149,288	380,355
SUBTOTAL	**814,946**	**1,201,352**
TOTAL	**1,730,796**	**2,203,872**

The fees for the auditing of financial statements comprise those for the audits of the consolidated financial statements of the Agfa-Gevaert Group and the financial statements of its subsidiaries in Belgium and abroad. Other non-audit fees mainly relate to advice and due diligence assistance.

ACCOUNTING POLICIES

49. BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the historical cost basis except for the following items in the statement of financial position:
- Derivative financial instruments are measured at fair value;
- Non-derivative financial instruments at fair value through profit or loss (FVTPL) are measured at fair value;
- Debt and equity instruments at FVOCI are measured at fair value;
- Contingent consideration assumed in a business combination is measured at fair value;
- Liabilities for cash-settled shared-based payments arrangements are measured at fair value;
- Plan assets attributable to the Company's defined benefit retirement plans and other post-employment benefit plans are measured at fair value; and
- DBO attributable to defined benefit plans are measured using the projected unit credit method.

50. SIGNIFICANT ACCOUNTING POLICIES

50.1 Basis of consolidation

50.1.1 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Control is the power over the entity, i.e. the right that gives the Company the ability to direct the relevant activities of related entity, and is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
Goodwill is not amortized but tested for impairment on an annual basis and whenever there is an indication that the cash-generating unit to which goodwill has been allocated may be impaired. The impairment testing process is described in the appropriate section of these policies. Goodwill is stated at cost less accumulated impairment losses. With respect to associates, the carrying amount of goodwill is included in the carrying amount of the investment.

The Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; and if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss. Any contingent consideration payable is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration recognized as a liability are recognized in profit or loss.

Costs related to the acquisition are expensed as incurred.

50.1.2 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows which can be clearly distinguished from the rest of the Group and which:
- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when an operation meets the criteria to be reclassified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation has been discontinued from the start of the comparative year.

50.1.3 Measurement of non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquirees identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of the equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

50.1.4 Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power over the entity, i.e. the right that gives the Company the ability to direct the relevant activities of related entity, and is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
The financial statements of a subsidiary are included in the consolidated financial statements from the acquisition date until the date when the parent ceases to control the subsidiary.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control
Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners).
In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, shall be recognized in equity and attributed to the owners of the parent.

50.1.5 Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

50.1.6 Investments in associates

An associate is an entity in which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity. An investment in an associate is accounted for using the equity method from the date on which it becomes an associate and is recognized initially at cost. The cost of the investment includes transaction costs. On acquisition of the investment, any difference between the cost of the investment and the Company's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as follows:

- Goodwill relating to an associate is included in the carrying amount of the investment;
- Any excess of the Company's share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Company's share of the associate's profit or loss in the period in which the investment is acquired.

Elimination of unrealized profits and losses on transactions with associates
Profits and losses resulting from upstream and downstream transactions between the Company – included its consolidated subsidiaries – and an associate must be eliminated to the extent of the Company's interest in the associate.
Upstream transactions are, for example, sales of assets from an associate to the Company. Downstream transactions are, for example, sales of assets from the Company to an associate.

When an investment ceases to be an associate
From the date when the Company ceases to have significant influence over an associate, it accounts for related investment in accordance with IFRS 9 from that date. On the loss of significant influence, the Company measures at fair value any investment the Company retains in the former associate.

The Company recognizes in profit or loss any difference between:
- the fair value of any retained investment and any proceeds from disposing of the (partial) interest in the associate; and
- the carrying amount of the investment at the date when significant influence is lost.

Amounts recognized in OCI in relation to the associate or joint venture are accounted for on the same basis as would be required if the investee had disposed of the related assets and liabilities directly.

50.1.7 Jointly controlled entities and jointly controlled operations

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Depending upon the rights and obligations of the parties to the arrangement, the joint arrangement is classified either as a joint operation or a joint venture.

A. Joint operation
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.
The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

B. Joint venture
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

The Group as joint venturer recognizes its interest in a joint venture as an investment that is accounted for using the equity method (see Note 50.1.6).

50.1.8 Transactions eliminated on consolidation

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Unrealized profits and losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full.
Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

50.2 Foreign currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency.

50.2.1 Foreign currency transactions

All transactions in currencies other than the functional currency are foreign currency transactions. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at closing rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. However, foreign

currency differences arising from the translation of the following items are recognized in OCI:
- An investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss);
- Qualifying cash flow hedges to the extent that the hedges are effective.

Non-monetary assets and liabilities measured at historical cost that are denominated in foreign currencies are translated using the exchange rate at the date of the transaction.

50.2.2 Foreign operations

A foreign operation is an entity that is a subsidiary, associate, joint venture or branch of the Company, of which the activities are based or conducted in a currency other than the Euro.
The financial statements of foreign operations are translated for the purpose of the consolidation as follows:
- Assets and liabilities are translated at the closing rate;
- Income and expenses are translated at average year-to-date exchange rates; and
- Equity components are translated at historical rates, excluding current year movements, which are translated at rates approximating the rate at the time of the transaction.

All resulting exchange differences are recognized in other comprehensive income and accumulated in a separate component of equity being 'Translation reserve'. The amount attributable to any non-controlling interests is allocated to and recognized as part of non-controlling interests.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

On the partial disposal of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to non-controlling interests in that foreign operation. Any other partial disposal of a foreign operation – related to an associate, joint venture or branch of the Company – results in a reclassification to profit or loss of the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income.

A partial disposal of an entity's interest in a foreign operation is any reduction in an entity's ownership interest in a foreign operation, except for those reductions resulting in:
- the loss of control of a subsidiary;
- the loss of significant influence over an associate;
- the loss of joint control over a joint arrangement.

These reductions are accounted for as disposals resulting in a reclassification from other comprehensive income to profit or loss of the cumulative amount of the exchange differences relating to that foreign operation.

50.3 Revenue from contracts with customers

Revenue from contracts with customers is recognized according to the criteria set in IFRS 15 *Revenue from contracts with customers*. In recognizing revenue from contracts with customers a five-step approach is to be applied: first the contract with the customer should be identified; then the distinct performance obligations in the contract should be identified; as a third step the transaction price should be determined; then the transaction price should be allocated to the distinct performance obligations in the contract; and finally revenue is recognized when the distinct performance obligation is satisfied. The standard moreover specifies whether revenue should be recognized at a certain point in time or over a period of time. Revenue is recorded net of sales taxes, customer discounts and rebates.

The Group's policy distinguishes revenue from the sale of goods, the rendering of services and multiple-element arrangements.

Revenue from the sale of goods comprises revenue from the sale of consumables, chemicals, spare parts, standalone equipment and software licenses. Revenue from the rendering of services includes installation services, maintenance and post-contract support services. The Group also enters into arrangements combining multiple deliverables such as software, hardware/equipment and services, including training, maintenance and post-contract customer support, the 'multiple-element arrangements.' Freight charged to customers is recognized as revenue as incurred.

A. Sale of goods

Revenue from the sale of goods is recognized when the customer obtains control of the goods and when it is probable that the agreed transaction price will be collected. In evaluating whether collectability is probable, the entity considers the customer's ability and intention to pay that amount when it is due. Revenue from the sale of goods is, under IFRS 15, recognized upon delivery following applicable freight terms, at a point in time.
Revenue from the sale of stand-alone software licenses is recognized at a point in time, at the delivery of the source key. The license is recognized at a point in time as the Group provides the customer access to and a right to use the intellectual property as it exists at a point in time.
In case volume discounts incentives are offered to the customer, the expected volume rebates are estimated based on historical experience. The amount of the variable consideration is made based on the most likely amount-method. The variable consideration is recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

B. Rendering of services

Under the IFRS 15 standard, revenue from maintenance contracts is recognized straight-line over the maintenance period as the customer simultaneously receives and consumes the benefits from the maintenance over time.
Revenue from installation and implementation services are recognized as rendered. The progress is measured based on input methods being the labor hours expended to date versus the estimated hours spend.
When in a service contract multiple services are offered, the total consideration is allocated to all services based on their stand-alone selling price.

C. Multiple-element arrangements

Multiple-element arrangements offer the customer a combination of several deliverables such as software, licenses, hardware, implementation services and maintenance and post-contract support services. For arrangements not requiring substantive customization of the software, each aforementioned deliverable is assumed to qualify as a separate performance obligation.
The total arrangement fee is allocated to the distinct performance obligations based on the stand-alone selling prices of the performance obligations.

In case discounts are offered, a proportionate amount is allocated proportionally to each performance obligation based on their stand-alone selling price.

Within the HealthCare IT and Radiology Solutions business segments, most arrangements do not require significant customization of modification.

Revenue allocated to the hardware portion of the arrangement is recognized on delivery when it creates value to the customer on a stand-alone basis. Hardware is considered as a distinct performance obligation as there is no transformative relationship between the hardware and other components of the contract.

Revenue allocated to the software component is recognized after successful installation and acceptation at the client's premises. The software license is a distinct performance obligation as the customer can benefit from the license with readily available resources. The license is recognized at a point in time as the Group provides the customer access to and a right to use the intellectual property as it exists at a point in time.

Revenue from installation and implementation services are recognized as rendered. The progress is measured based on input methods being the labor hours expensed to date versus the estimated hours spend.

Extended warranty whereby the customer purchases additional warranty separately, i.e. warranty that is adding additional services on top of the legal warranty or for a longer period than legal warranty, is considered as a distinct performance obligation within multiple-element arrangements.

Revenue recognized for which no billing has yet occurred is recognized in the statement of financial position as contract assets and advance payments received for which no revenue has been recognized is presented as contract liabilities.

Within the Offset Solutions and Digital Print & Chemicals divisions, revenue from sale of equipment that require substantive installation activities is recognized when the installation of the equipment is finalized in accordance with the contractually agreed specifications. Installation services and equipment are considered highly interrelated and are identified as one performance obligation that is recognized at a point in time, i.e. at installation at the client's premises.

50.4 Employee benefits

For the accounting treatment of post-employment plans, IFRS distinguishes defined contribution plans and defined benefit plans. The classification depends on which party – Company or employee – bears the actuarial and investment risk. In case of a defined contribution plan, the employee bears all the risks and therefore the Company does not recognize a liability in its statement of financial position except for any unpaid contribution.
In case of a defined benefit plan, the Company bears the actuarial and investment risk and should consequently recognize a liability in its statement of financial position.

50.4.1 Defined contribution plans

Contributions to defined contribution pension plans are recognized as an expense in profit or loss as incurred.
They are allocated among functional costs: cost of sales, research and development expenses, selling and administrative expenses, following the functional area of the corresponding profit and cost centers to which related employees are attributed.

50.4.2 Defined benefit plans

As from December 31, 2016, the accounting treatment for Belgian defined contribution plans with return guaranteed by law has been aligned with the accounting treatment of defined benefit plans.

A. Liabilities for post-employment benefits
For defined benefit plans, the amount recognized in the statement of financial position is determined as the present value of the defined benefit obligation less the fair value of any plan assets. Where the calculation results in a net surplus, the recognized asset does not exceed the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefit obligations (DBO) and the service costs are calculated by a qualified actuary using the Projected Unit Credit (PUC) method. Under this method projected benefits that are payable each future year are discounted to the reporting date at the assumed interest rate. The resulting total benefit obligation is then allocated to past service, presenting the DBO and year-in-service, presenting the service cost. The assumed interest rate is the discount rate based on yields at reporting date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. In determining the net present value of the future benefit entitlement for service already rendered (DBO), the Group considers future compensation and benefit increases. The DBO also comprises the present value from the effects of taxes payable by the plan on contributions or benefits relating to services already rendered.

More information about the application of the PUC method for Belgian defined contribution plans can be found hereafter.

B. Defined benefit cost recognized in profit or loss and 'Other comprehensive income'
The amount charged to profit or loss consists of current service cost, past service cost, gain or loss on settlement, net interest cost and administrative expenses and taxes. Current service costs as well as administrative expenses and taxes, which are borne by the employer(s) participating to the plan, are allocated among functional costs: cost of sales, research and development expenses, selling and general administrative expenses, following the functional area of the corresponding profit and cost centers to which related employees are attributed. Past service cost and settlement gains (losses) are recognized immediately in profit or loss under 'Other operating income' or 'Other operating expense' when the plan amendment, curtailment or settlement occurs. Administrative expenses which are related to the management of plan assets and taxes directly linked to the return on plan assets – borne by the plan itself – are included in the return on plan assets and are recognized in 'Other comprehensive income, net of income taxes (OCI)'.

Net interest cost is recognized in profit or loss under 'Other finance expense.' It is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability. The net interest cost is broken down into interest income on plan assets and interest cost on the defined benefit obligation. The difference between the return on plan assets and the interest income on plan assets is included in line item 'Post-employment benefits: remeasurements of the net defined benefit liability' and recognized in 'Other comprehensive income, net of income taxes'. Next to the difference between the actual return and the interest income on plan assets, the line item 'Post-employment benefits: remeasurements of the net defined benefit liability' also comprises actuarial gains and losses resulting for example from an adjustment of the discount rate.

C. Defined contribution plans with return guaranteed by law

Belgian 'Defined contribution plans' are subject to the Occupational Pensions Act of April 2003. According to article 24 of this Act, affiliated persons are entitled to a guaranteed minimum return on contributions made by either the organizer of the plan or the employee. Some conditions in this law, such as the required level of minimum return, have been amended by the Act of December 18, 2015. Similar to the measurement of all other defined benefit plans, the net pension liability related to defined contribution plans with return guaranteed by law is calculated as the difference between the present value of the defined benefit obligation (DBO) and the fair value of the plan assets. As of December 31, 2016, the present value of the defined benefit obligation (DBO) and the service costs are calculated by a qualified actuary using the Projected Unit Credit (PUC) method. More information on the general principles of this method can be found under 'Liabilities for post-employment benefits'.

Within the Belgian Agfa-Gevaert Group entities, all insured plans guarantee a fixed return up to retirement age (so-called Branch 21 insured products). Depending on the nature of the insured contract, the DBO has been determined with or without future contributions and their related minimum returns up to the retirement age or exit. For the Top Performance Plan no future contributions were considered, for all other 'Branch 21' insured products recurring contributions are paid and therefore considered in the actuarial calculation.

Similar to the Belgian DC-plans, the Group's Swiss DC-plans are accounted for as DB-plans under IAS 19.

In measuring the net liability related to Belgian and Swiss defined contribution plans with return guaranteed by law, the Group has applied paragraph 115 of IAS 19. Paragraph 115 states "Where plan assets include qualifying insurance policies that exactly match the amount and timing of some or all of the benefits payable under the plan, the fair value of those insurance policies is deemed to be the present value of the related obligations" up to the guaranteed rate of the insurer. The application of this paragraph 115 implies a market valuation of the retirement age contractual insured benefit, which impacts both the assets to account for and the DBO. In terms of applying the methodology of paragraph 115, management believes that the DBO calculation should reflect that the employee is entitled to the higher of the actual accumulated reserves and the minimum reserves. Therefore, the DBO calculation reflects this plan characteristic for every event, being leaving before retirement or staying until retirement.

50.4.3 Termination benefits

Termination benefits are recognized as a liability and an expense when a Group company is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy and to the extent it is probable that the employees will accept the offer.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using a discount rate which is the yield at reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

The interest impact of unwinding and re-measuring long-term termination benefits at adjusted discount rates at financial reporting date is reflected in profit or loss under 'Other finance expense' whereas the impact of increases and decreases of the Group's commitments are presented under 'Other operating expenses – Restructuring expenses'.

50.4.4 Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits, other than pension plans, post-employment life insurance and medical care, is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rate used is the yield at reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

Unlike the accounting treatment of post-employment defined benefit plans, remeasurements of other long-term employee benefits are not reflected in other comprehensive income. Instead, the impact of remeasurements is recognized in profit or loss.

50.4.5 Current employee benefits

Current employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid within twelve months if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

50.4.6 Share-based payment transactions

The Group has cash-settled share-based payment transactions as it has granted a long-term variable compensation embedded in a Phantom Stock Option Plan to its CEO and key personnel members of the Group. This plan can result in an additional cash bonus.

In the established share-based payment transaction, the eligible person directly participates in changes in value of the underlying equity instrument, being the shares of Agfa-Gevaert NV and, accordingly, the cash payment is based on the price or value of the equity instrument.

Related share appreciation rights do not vest until the eligible persons have completed a specified period of service. Therefore, the Company recognizes the services received, and a liability to pay for them, as the eligible person renders service during that period. The liability is measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, and the extent to which the employees have rendered service to date. Changes in fair value are recognized in profit or loss. Both the cost recognized at initial measurement as well as the impact of changes in fair value are considered as employee benefit expenses. Black and Scholes is the applied option pricing model.

50.5 Research and development expenses

For accounting purposes, research expenses are defined as costs incurred for current or planned investigations undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development expenses are defined as costs incurred for the application of research findings or specialist knowledge to plans or designs for the production, provision or development of new or substantially improved products, services or processes, respectively, prior to the commencement of commercial production or use.

Research and development expenses are incurred in the Agfa-Gevaert Group for in-house research and development activities, as well as numerous research and development collaborations and alliances with third parties.

Research and development expenses include, in particular, the running costs of the research and development departments such as personnel expenses, material costs and depreciation of fixed assets as well as the costs of laboratories, costs of applications development facilities, engineering departments and other departments carrying out research and development tasks, costs of contacts with universities and scientific institutes including expenses incurred for commissioned research and development work.

Research costs cannot be capitalized. The conditions for capitalization of development costs are closely defined: an intangible asset must be recognized if, and only if, there is reasonable certainty of receiving future cash flows that will cover an asset's carrying amount.

50.6 Net finance costs

Interest income (expense) – net comprises interests receivable/payable in relation to items of the net financial debt position. Net financial debt is defined as current and non-current loans and borrowings and lease liabilities less cash and cash equivalents. Other finance income (expense) – net comprises:

- interest received/paid on other assets and liabilities not part of the net financial debt position such as the net interest cost of defined benefit plans and the interest component of long-term termination benefits;
- exchange results on non-operating activities;
- changes in the fair value of derivative instruments economically hedging non-operating activities;
- the ineffective portion of cash flow hedges hedging non-operating activities;
- impairment losses recognized on financial assets;
- results on the sale of marketable securities;
- change in contingent consideration from a business combination; and
- other finance income (expense).

Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset. Dividend income is recognized in profit or loss on the date that the dividend is declared.
All interest and other costs incurred in connection with borrowings are expensed as incurred using the effective interest rate.
The interest expense component of lease payments is recognized in profit or loss using the effective interest rate method.
The net interest cost of defined benefit plans is determined by multiplying the net defined benefit liability by the discount rate that is used to measure the defined benefit obligation, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contributions and benefit payments.

The interest component of long-term termination benefits comprises the impact of unwinding the liability, as well as the impact of the changed discount rate.

50.7 Income tax and other tax

Income tax on the profit (loss) for the year comprises taxes paid or accrued and deferred tax expense (income). Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income or if part of a business combination in which case it is recognized against goodwill.

In determining the amount of taxes paid or accrued and deferred tax expense (income), the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due.
Other tax receivables and liabilities relate to other tax, such as VAT, property tax and other indirect taxes. They are carried at cost. Both current and other tax receivables are offset against current tax liabilities, respectively other tax liabilities when they relate to taxes levied by the same taxation authority and are intended to be settled on a net basis and there is a legal right to offset.

50.7.1 Income taxes paid or accrued

Taxes paid or accrued are the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.
Current income tax for current and prior periods are, to the extent unpaid, recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

50.7.2 Deferred tax

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
The following temporary differences are not provided for:

- taxable temporary differences on the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and deferred tax liabilities are offset in the statement of financial position if the entity has a legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity that intend to realize the asset and settle the liability at the same time.

50.8 Goodwill and intangible assets with indefinite useful lives

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

Intangible assets with indefinite useful lives, such as trademarks, are stated at cost less accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized. Instead, they are tested for impairment annually and whenever there is an indication that the intangible asset may be impaired.

50.9 Intangible assets with finite useful lives

50.9.1 Recognition and measurement

Intangible assets with finite useful lives are stated at cost less accumulated amortization and impairment losses.

Research and development costs are expensed as they are incurred, except for certain development costs, which are capitalized when it is probable that a development project will be a success, and certain criteria, including technological and commercial feasibility, have been met. Capitalized development costs are amortized on a systematic basis over their expected useful lives.

In accordance with IFRS 3 *Business combinations*, if an intangible asset is acquired in a business combination, the cost of that intangible asset is its fair value at the acquisition date. The fair value of an intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the entity.

50.9.2 Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

50.9.3 Amortization

Intangible assets with finite useful lives, such as acquired technology and customer relationships are amortized on a straight-line basis over their estimated useful lives, generally for periods ranging from five to 15 years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

50.10 Property, plant and equipment

50.10.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.
The cost of an item of property, plant and equipment comprises:
- its purchase price, including import duties and non-refundable purchase taxes;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the

obligation for which the Company incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period;
- capitalized borrowing costs.

For self-constructed assets, directly attributable costs are direct cost of materials, direct manufacturing expenses, appropriate allocations of material and manufacturing overheads, and an appropriate share of the depreciation of assets used in construction. It includes the share of expenses for company pension plans and discretionary employee benefits that are attributable to construction and capitalized borrowing costs.

50.10.2 Subsequent expenditure

Expenses for the repair and maintenance of property, plant and equipment are usually expensed as incurred. They are, however, capitalized when they increase the future economic benefits embodied in the item of property, plant and equipment.

50.10.3 Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful life of the item. For leased assets, the depreciation period is the estimated useful life of the asset, or the lease term if shorter.
The estimated useful lives of the respective asset categories are as follows:

Buildings	20 to 50 years
Outdoor infrastructure	10 to 20 years
Plant installations	6 to 20 years
Machinery and equipment	6 to 12 years
Laboratory and research facilities	3 to 5 years
Vehicles	4 to 8 years
Computer equipment	3 to 5 years
Furniture and fixtures	4 to 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

50.11 Non-current assets held for sale

The Group classifies an asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal groups) and its sale must be highly probable.

Immediately before classification as held for sale, the Group measures the carrying amount of the asset (or all the assets and liabilities in the disposal group) in accordance with applicable IFRS. Then, on initial classification as held for sale, assets and disposal groups are recognized at the lower of their carrying amount and fair value less costs to sell. Impairment losses are recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. Assets classified as held for sale are no longer amortized or depreciated.

50.12 Financial instruments

50.12.1 Financial assets

Financial assets comprise equity and debt instruments in another entity, cash and cash equivalents, loans receivable, trade receivables, receivables under finance leases and other receivables as well as derivative financial instruments.

The Group initially recognizes loans and receivables on the date that they are originated. All other non-derivative financial assets are recognized on the trade date when the Group becomes a party to the contractual provisions of the instrument.
A trade receivable without significant financing is initially measured at its fair value plus any transaction costs that are di-

rectly attributable to the acquisition of the financial assets. Transaction costs related to financial assets and liability carried at fair value through profit and loss are recognized in the income statement.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows on a financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. In a transaction where an entity neither transfers nor retains substantially all of the risks and rewards of ownership of a financial asset, the related asset is derecognized in case the entity lost control of the asset. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group has the following categories of non-derivative financial assets: financial assets at amortized cost and financial assets at fair value through other comprehensive income. Its classification reflects the business model in which the assets are managed and their cash flow characteristics.

A. Financial assets at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
All the Group's receivables – trade receivables, receivables under finance leases as well as other receivables – and cash and cash equivalents fit into aforementioned definition and are consequently measured at amortized cost.

B. Financial assets at fair value through other comprehensive income (FVOCI)

A debt instrument is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
The Group has made an irrevocable election for the investment in Digital Illustrate Inc. to classify it as FVOCI. The impact of subsequent measurement of this investment in equity securities is reflected in OCI under 'Other reserves'. This item in OCI will not be reclassified subsequently to profit or loss.

50.12.2 Financial liabilities

Financial liabilities comprise debentures, uncommitted bank facilities, revolving and other credit facilities, trade and other payables as well as derivative financial instruments.

Financial liabilities are recognized initially at fair value on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

At initial recognition, the Group measures its financial liabilities at its fair value less any transaction costs that are directly attributable to the issuance of the financial liability.

Non-derivative financial liabilities are subsequently measured at amortized cost except for financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies.
Interest-bearing loans and borrowings are stated at amortized cost with any difference between the initial amount and the maturity amount being recognized in profit or loss over the expected life of the instrument on an effective interest rate basis.
If a transfer of a financial asset does not result in de-recognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. In subsequent periods, the Group recognized any income on the transferred asset and any expense incurred on the financial liability.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a transferred asset, and retains control of the transferred asset, the entity continues to recognize the transferred asset to the extent of its continuing involvement and recognizes an associated liability. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained. The associated liability is measured in such a way that the net carrying amount of the transferred asset and the associated liability is the amortized cost of the rights and obligations retained by the Group assuming the transferred asset is measured at amortized cost.
The Group de-recognizes a financial liability when its contractual obligations are discharged, cancelled or expired. The Group also de-recognizes a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on modified terms is recognized at fair value. On de-recognition of the financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

50.12.3 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments primarily to manage its exposure to foreign currency risks and price changes in commodities arising from operational, financing and investment activities.
The Group uses following types of derivative financial instruments: forward exchange contracts used for hedging, swap contracts used for hedging and other forward exchange contracts and swap contracts.
The Group uses forward exchange contracts to hedge the variability in cash flows arising from changes in foreign exchange rates relating to future sales. The Group also uses metal swap agreements hedging the Group's exposure to fluctuations in commodity prices related to highly probable forecasted purchases of aluminum. The contracts are designated as cash flow hedges and are held for the purpose of the receipt of commodities in accordance with the Group's expected usage of aluminum.

Derivative financial instruments that are not designated as cash flow hedges are measured at fair value through profit or loss. In accordance with its treasury policy, the Group does not currently hold or issue derivatives for trading purposes.
Derivative financial instruments are initially recognized at fair value on the date at which a derivative contract is entered into (trade date) and are subsequently re-measured at their fair value. In case cash flow hedge or net investment hedge accounting is applied, the effective portion of any gain or loss is recognized in OCI, the non-effective portion in profit or loss. Transaction costs related to financial assets and liability carried at fair value through profit and loss are recognized in the income statement.

The Group has the following categories of derivative financial instruments: derivatives not formally designated as hedging instruments and cash flow hedging instruments.

A. Hedging instruments
The Group's forward exchange contracts and swap contracts, that are formally designated as cash flow hedging instruments, are subsequently re-measured at their fair value.

Cash flow hedge accounting is applied to all hedges that qualify for hedge accounting when required documentation of the hedging relationship is in place and when the hedge is determined to be effective. When hedge accounting is applied, the effective portion of any gain or loss is recognized in OCI, the non-effective portion in profit or loss.

With regard to hedge accounting, the Group applies the requirements of IFRS 9. This standard requires the Group to ensure that hedge accounting relationships are aligned with the Group's risk management objectives and strategy and to apply a more qualitative and forward looking approach to assessing hedge effectiveness. The Group uses forward exchange contracts to hedge the variability in cash flows arising from changes in foreign exchange rates relating to future sales. The Group currently designates only the change of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships. Under IFRS 9, the change in the fair value of the forward element ('forward points') is accounted for as fair value through profit or loss and reflected in 'Net finance costs.'

The Group also uses metal swap agreements hedging the Group's exposure to fluctuations in commodity prices related to highly probable forecasted purchases of aluminum.

The contracts are designated as cash flow hedges and are held for the purpose of the receipt of commodities in accordance with the Group's expected usage of aluminum. Under IFRS 9 as well as under IAS 39, the amounts accumulated in the cash flow hedge reserve are removed from OCI and included in the initial carrying amount of the inventory purchased.
The types of hedge accounting transactions that the Group currently designates meet the requirements of IFRS 9 and are aligned with the Group's risk management strategy and objectives.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in hedge reserve remains in other comprehensive income until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's initial cost or for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedge reserve are immediately reclassified to profit or loss.

B. Mandatory at FVTPL
Derivative financial instruments that are economic hedges but that do not meet the hedge accounting criteria of IFRS 9 are categorized as Mandatory at FVTPL and are accounted for as financial assets or liabilities at fair value through profit or loss. The impact in profit or loss is reflected in either 'Other operating income/expense' or 'Net finance costs' depending on the nature of the item economically hedged.

50.13 Impairment

50.13.1 Impairment testing of goodwill, intangible assets and property, plant and equipment

Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually and upon the occurrence of an indication of impairment.
The impairment tests are performed annually at the same time each year and at the cash-generating unit level.
The Group defines its cash-generating units based on the way that it monitors its goodwill and will derive economic benefit from the acquired goodwill and intangibles.
The impairment tests are performed by comparing the carrying value of the assets of these cash-generating units with their recoverable amount, based on their future projected cash flows discounted at an appropriate pre-tax rate of return.
The discount rate used in calculating the present value of the estimated future cash flows is based on a weighted average cost of equity and debt capital (WACC), using a debt-equity ratio of an average market participant. An additional risk premium was added to the cost of equity. The cost of debt is based on conditions on which comparable companies can obtain long-term financing.

The forecasting risk related to silver and aluminum is reflected in the cash flow projections.

An impairment loss is recognized whenever the carrying amount of the cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

Consideration is given at each reporting date to determine whether there is any indication of impairment of the carrying amounts of the Group's property, plant and equipment and intangible assets with finite useful lives.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit or loss and the carrying amount of related asset is reduced through use of an allowance account.

The recoverable amount of the Group's property, plant and equipment and intangible assets with finite useful lives is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

50.13.2 Impairment testing for right-of-use assets

At each reporting date, the Group reviews the carrying amounts of its right-of-use assets to determine whether there is any indication of impairment. Indication of impairment exists when a lease concluded as a lessee becomes onerous in which case an impairment loss is recognized, measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.
An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

50.13.3 Impairment of financial assets and contract assets

The IFRS 9 standard replaces the 'Incurred loss' model with a forward-looking 'Expected credit loss' (ECL) model. This requires considerable judgment about how changes in economic factors affect expected credit losses. With regard to impairment of trade receivables, lease receivables and contract assets, the Group applies the simplified approach for the impairment evaluation, which implies that credit losses for these categories of assets are always measured at an amount equal to lifetime expected credit losses. Credit losses are measured as the present value of all cash shortfalls – i.e. the difference between the cash flows to which the entity is entitled to and what the entity expects to receive. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The inputs and assumptions to the expected credit loss model are the following: significant financial difficulty of the counterparty, a default of more than 90 days past due, or a possible bankruptcy of the counterparty.

The evaluation of possible impairment takes into account forward-looking elements. For the major portion of the accounts receivable balances, debtors are scored and rated based on quantitative and qualitative information on an ongoing basis through Credit Risk Application in place. All customers are classified into different risk categories which are reassessed on a yearly basis based on relevant forward-looking information such as data from external credit bureaus, age of business, country risk and the credit manager's assessment. To mitigate the credit risk, credit insurance and other risk mitigation tools such as letter of credit, bank guarantees, mortgage are used within the Group.
This methodology of individually reviewing outstanding receivable amounts taking into account forward-looking information to assess impairment risks hasn't been changed due to the application of IFRS 9.

Loss allowances for financial assets measured at amortized cost are charged to profit or loss and deducted from the gross carrying amount of the assets to obtain a net presentation in the consolidated financial statements. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment for each type of financial asset based on whether there is a reasonable expectation of recovery. Financial assets that are written off are still subject to enforcement activities of the Group for recovery of amounts due.

50.14 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

A. As a lessee
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate (IBR) twice a year based on the government bond yields per country and per maturity bucket obtained from Reuters and adds a risk premium reflecting the Group's risk profile. The latter risk premium differs from the country risk classified according to the Organization of Economic Cooperation and Development (OECD). Depending on the low, medium or high risk of the country a different spread is added. As such a IBR-matrix is obtained reflecting six maturity buckets and 50 countries.

Lease payments included in the measurement of the lease liability comprise in the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

There are no leases for which it is expected that the Group would need to pay a residual value guarantee.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets (mainly related to IT equipment) and short-term leases. Short-term leases are leases with a lease term of twelve months or less. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

On the statement of financial position right-of-use assets are presented separately whereas lease liabilities are comprised in 'Loans and borrowings.' All lease payments that are due within 12 months after the balance sheet date are classified as current liabilities. All lease payments that are due later than 12 months after the balance sheet date are classified as non-current liabilities.

B. As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The majority of the Group's finance lease arrangements are concluded by Agfa Finance, i.e. Agfa Finance NV or its subsidiaries Agfa Finance Corp. and Agfa Finance Inc.

On manufacturing leases, the Group recognizes revenue and related profit margin at the moment a Group's manufacturing organization or any related company invoices Agfa Finance at commencement of the lease with the external customer.

A commercial contract whereby a certain piece of equipment is financed by means of a medium or long-term agreement under which the customer commits to purchase a certain level of consumables at a mark-up price is called a 'bundle deal.' At each sale of consumables, the Group allocates the consideration received from this sale to a reduction of the outstanding lease receivable and revenue from sale of goods on the basis of their stand-alone selling prices.
Receivables under finance leases are measured at an amount equal to the discounted future minimum lease payments. Finance lease income – presented as part of 'Other operating income' – is subsequently recognized based on a pattern reflecting constant periodic rate of return on the net investment using the effective interest method.

On the statement of financial position receivables under finance leases are presented separately. All lease receivables that are due within 12 months after the balance sheet date are classified as current assets. All lease receivables that are due later than 12 months after the balance sheet date are classified as non-current assets.
The Group applies the de-recognition and impairment requirements in IFRS 9 to the net investment in the lease.
The Group recognizes lease payments received under operating leases as Revenue, on a straight line basis over the lease term.

50.15 Other assets

Other assets comprise deferred charges and other non-financial assets. Deferred charges relate to payments made by the Company before the balance sheet date in respect of the expenses of future periods (prepayments). Examples of deferred charges are payments of rent, interests and insurance premiums that were made before the balance sheet date but relate to a specific period after the balance sheet date.

Non-financial assets are carried at cost. Deferred charges are recognized in profit or loss by the straight-line method or according to performance of the services received.

50.16 Inventories

Raw materials, supplies and goods purchased for resale are valued at purchase cost.
Work in progress and finished goods are valued at the cost of production. The cost of production comprises the direct cost of materials, direct manufacturing expenses, appropriate allocations of material and manufacturing overheads, and an appropriate share of the depreciation of assets used for production. It includes the share of expenses for company pension plans and discretionary employee benefits that are attributable to production. Administrative costs are included where they are attributable to production. Inventories are valued using the weighted-average cost method.
If the purchase or production cost is higher than the net realizable value, inventories are written down to net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The cost of inventories may not be recoverable in the following situations:

- obsolete inventory: this is determined based on a list of non-moving or slow-moving inventory-items, including items approximating the expiry date;
- damaged or expired inventory items or products showing quality problems;
- declining selling prices.

Within the Group, write-downs of inventories mainly result from obsolescence.

50.17 Cash and cash equivalents

Cash and cash equivalents comprise cash, checks received, and balances with banks and companies. Cash equivalents are highly liquid short-term financial investments that are subject to an insignificant risk of changes in value, are easily convertible into a known amount of cash and have a maturity of three months or less from the date of acquisition or investment.

50.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from retained earnings.

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity under the caption 'Reserve for own shares'. Repurchased shares are accounted for using settlement date accounting. Cancelled treasury shares are transferred from 'Reserve for own shares' to 'Retained earnings'. When treasury shares are sold, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

50.19 Provisions

Provisions are recognized in the statement of financial position when a Group company has a present obligation (legal or constructive) as a result of a past event and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.
If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

50.19.1 Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced to those affected by it. Future operating costs are not provided for.

50.19.2 Environmental protection

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognized when the land is contaminated.

50.19.3 Trade-related

Trade-related provisions mainly comprise provisions for sales commissions and warranty and commercial litigations. A provision for product warranty is made at the time of revenue recognition and reflects the estimated costs of replacement that will be incurred by the Group.

50.19.4 Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract, which is determined based on the incremental cost of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Provisions are established for impending losses on purchase or sales contracts at the amount of the anticipated losses.

50.20 Contract liabilities

The Group applies IFRS 15 *Revenue from contracts with customers*, that introduced the concept of contract assets and contract liabilities.

Contract liabilities comprise deferred revenue and advance payments received from customers, as well as accruals for bonuses and rebates related to goods and services purchased by customers during the period.

50.21 Other liabilities

Other liabilities primarily relate to unearned other operating income. Government grants are a typical example of unearned other operating income. They are recognized in profit or loss when there is a reasonable assurance that the conditions attached to the grants will be or are complied with and the grants will be received. Grants that compensate the Group for expenses incurred are recognized in profit or loss under the same functional reporting line item as the corresponding expenses. They are recognized as income over the periods necessary to match them on a systematic basis to the costs that are intended to be compensated. Grants awarded for the purchase or production of assets (Intangible assets or Property, plant and equipment) are recognized initially as other liability and then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Government grants for future expenses are recorded as 'Other liabilities'.

51. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

A number of new IFRS standards, amendments to IFRS standards and interpretations issued, were not yet effective for the year ended on December 31, 2022 and have not been applied in preparing the consolidated financial statements.
The Group shall adopt these standards after endorsement by the European Union. This relates to:

- **Amendments to IFRS 16 *Leases : Lease liability in a Sale and Leaseback***

In September 2022, the IASB issued an amendment to IFRS 16 *Leases related to the treatment of a lease liability in a sale and leaseback transaction*. These amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

The amendment to IFRS 16 *Leases* specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. A sale and leaseback transaction involves the transfer of an asset by an entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee. The amendment is intended to improve the requirements for sale and leaseback transactions in IFRS 16. It does not change the accounting for leases unrelated to sale and leaseback transactions.

The amendments have been endorsed by the European Union in January 2023. The application of this amendment will not have a material impact to the consolidated statements of the Group.

- **Amendments to IAS 1 *Presentation of Financial Statements: Classification of liabilities as current or non-current,* and deferral of effective date**

In January 2020, the IASB issued amendments to IAS 1 related to the classification of liabilities. The amendments in *Classification of liabilities as current or non-current* (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.

A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. They clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.

The IASB has proposed further amendments to IAS 1 and the deferral of the 2020 amendments to no later than January 1, 2024. These amendments have not yet been endorsed by the European Union. The application of this amendment will not have a material impact to the consolidated financial statements of the Group.

- **Amendments to IAS 1: *Non-current liabilities with covenants***

In October 2022, the IASB issued an amendment to IAS 1 *Non-Current liabilities with Covenants* effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

The amendment clarifies how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. Under the 2022 amendments, only covenants of a liability arising from a loan arrangement, which an entity must comply with on or before the reporting date affect the classification of that liability as current or non-current. The 2022 amendments, as opposed to the proposed amendments in the 2021 ED, do not require an entity to present separately non-current liabilities for which the entity's right to defer settlement is subject to compliance with future covenants within twelve months. Instead, the 2022 amendments require entities to disclose information about such covenants and related liabilities in the notes.

These amendments have not yet been endorsed by the European Union. The Group will apply these amendments after endorsement. The application of this amendment will not have a material impact to the consolidated financial statements of the Group.

- **Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: *Disclosure of Accounting policies*, issued on February 12, 2021**

These amendments include narrow-scope amendments to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for annual periods beginning on or after January 1, 2023 with early application permitted. These amendments have been endorsed by the EU. The application of this amendment will not have a material impact to the consolidated financial statements of the Group.

- **Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates***

In February 2021, the IASB issued amendments to IAS 8 that clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.
The amendments are effective for annual periods beginning on or after January 1, 2023 with early application permitted. These amendments have been endorsed by the European Union. The application of this amendment will not have a material impact to the consolidated financial statements of the Group.

Amendments to IAS *12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
In May 2021, the IASB issued amendments to IAS 12 that clarify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. IAS 12 *Income Taxes* specifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations, transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual periods beginning on or after January 1, 2023 with early application permitted. These amendments have been endorsed by the European Union. The application of this amendment will not have a material impact to the consolidated financial statements of the Group.

The following changes have not been elaborated on as the Group does not expect these to have a material impact to the consolidated financial statements. These relate to:

- **IFRS 17 *Insurance Contracts*** (issued on May 18, 2017); including Amendments to IFRS 17 (issued on June 25, 2020) - endorsed effective for annual periods beginning on or after January 1, 2023;
- **Amendments to IFRS 17 *Insurance Contracts***: initial application of IFRS 17 and IFRS 9 Comparative Information (issued on December 9, 2021) – endorsed effective for annual periods beginning on or after January 1, 2023.

Statutory auditor's report to the general meeting of Agfa-Gevaert NV on the consolidated financial statements as of and for the year ended December 31, 2022

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

In the context of the statutory audit of the consolidated financial statements of Agfa-Gevaert NV ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements for the year ended December 31, 2022, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of May 10, 2022, in accordance with the proposal of the Board of Directors issued on the recommendation of the audit committee and as presented by the workers' council. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended December 31, 2024. We have not been able to identify the exact date of our initial appointment. However, we can confirm that we have performed the statutory audit of the consolidated financial statements of Agfa-Gevaert NV for at least 45 consecutive financial years.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended December 31, 2022, prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board and as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at December 31, 2022, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to 1.756 million Euro and the consolidated statement of profit or loss shows a loss for the year of 223 million Euro.

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at December 31, 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board and as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill and indefinite-life intangible assets

We refer to note 27 "Goodwill and Intangible assets" and note 50.13 "Impairment" of the consolidated financial statements.

- *Description*

  The Group operates in business sectors where financial performance is impacted by competitive pressures, decline in demand and volatile commodity prices (silver and aluminum). Goodwill and indefinite-life intangible assets are assessed for impairment annually in accordance with IAS 36. Management prepares a recoverable amount assessment by discounting future cash flow projections to determine whether these assets are impaired at the reporting date as well as the level of impairment charge to be recognized. This assessment is performed at cash-generating unit level.

  Impairment of goodwill and indefinite-life intangible assets is a Key audit matter due to:
  - The size of the balance (being 12,4% of total assets); and
  - The level of judgement required by management in its assessment of impairment, which principally relates to the inputs used in both forecasting and discounting future cash flows to determine the recoverable amount.

- *Our audit procedures*

  Our audit procedures included:
  - We evaluated the process by which managements' cash flow forecasts were prepared, including testing the underlying calculations and reconciling them to the latest Board of Directors approved financial targets.
  - We analyzed the Group's previous ability to forecast cash flows accurately and challenged the reasonableness of current forecasts by comparing key assumptions to historical results, economic and industry forecasts and internal planning data.
  - We assessed the appropriateness of the Group's valuation methodology and its determination of discount rates by including valuation specialists in our team.
  - Furthermore we performed sensitivity analyses around the key assumptions used for the determination and discounting of the cash flow forecasts, in particular discount rates, growth rates and commodity prices. We assessed how management incorporated the specific risk factors faced by the businesses and the Group in their cash flow forecasts and discount rates. Having ascertained the extent of change in the assumptions that either individually or collectively would be required for the goodwill and indefinite-life intangible assets to be potentially impaired, we assessed the likelihood of such a movement in those key assumptions.
  - Furthermore, we assessed the appropriateness of the Group's disclosures in respect of impairment, which are included in note 27 to the consolidated financial statements.

Recoverability of deferred tax assets

We refer to note 17 "Income taxes" and note 50.7.2 "Deferred tax" of the consolidated financial statements.

- *Description*

  The Group has significant tax losses and deductible temporary differences from past business performance for which a deferred tax asset of 91 million Euro has been recognized, of which more than half of this balance is related to the HealthCare IT division.

  There is an inherent uncertainty involved in assessing the availability of future taxable profits, which determines the extent to which deferred tax assets are or are not recognized. Due to the significance of the balance as well as the judgment involved in the estimations described above, the recoverability of deferred tax assets is a key audit matter for our audit.

- *Our audit procedures*

  Our audit procedures included:
  - We assessed the Group's view on the likelihood of generating sufficient taxable profits to support the recognition of deferred tax assets, which includes an assessment of the long-term business plans, the historical and projected taxable profit forecasts at legal entity level, a consideration of tax planning strategies and sensitivities to changes in assumptions.
  - We analyzed and challenged the reasonableness of current taxable profit forecasts by comparing key assumptions to historical results, economic and industry forecasts and internal planning data.
  - Furthermore, we assessed the appropriateness of the Group's disclosures in respect of income taxes, which are included in note 17 to the consolidated financial statements.

Measurement of post-employment benefits

We refer to note 13 "Post-Employment benefit plans" and note 50.4 "Employee benefits" of the consolidated financial statements.

- *Description*

  The Group provides retirement benefits in most countries in which it operates. Retirement benefits are organized through defined contribution plans, as well as defined benefit plans. The Group funds its obligations in relation to those plans via insurance plans and segregated assets in Pension Funds.

  The net defined benefit liability for Belgium, Germany, UK and US together represents 98% of the total net defined benefit liability.

  Post-employment benefits are a Key Audit Matter due to:

  - The size of the balance (536 million Euro which represents 31% of total equity and liabilities);
  - The significant estimates made in valuing the Group's post-employment benefit obligations and underlying assets. Small changes in assumptions and estimates used to value the Group's net post-employment benefit liabilities would have a significant effect on the Group's financial position.

- *Our audit procedures*

  Our audit procedures included:

  - We updated our understanding of the Group's valuation process;
  - We assessed the competence, objectivity and capabilities of the external actuarial experts engaged by management;
  - We challenged the key assumptions, being the discount rates, inflation rates and mortality expectations underlying the valuation of the Group's post-employment benefit obligations with the support of our actuarial specialists. This included a comparison of key assumptions used against externally derived data;
  - We verified the accuracy of the census data underlying the actuarial valuation and reconciled the fair value of the plan assets with external confirmations;
  - We assessed the overall reasonableness of the valuation outcome and assessed the accounting treatment of plan amendments;
  - Furthermore, we assessed the appropriateness of the Group's disclosures in respect of employee benefits, which are included in note 13 of the consolidated financial statements.

Revenue recognition

We refer to note 8 "Revenue" and note 50.3 "Revenue from contracts with customers" of the consolidated financial statements.

- *Description*

  For the year ended December 31, 2022, the Group recorded revenue amounting to 1.857 million Euro.

  We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group (including management bonus arrangements) and is, therefore, subject to an inherent risk of manipulation by management to meet targets or expectations and because errors in the recognition of revenue could have a material impact on the Group's profit for the year.

  This leads to an increased audit risk relating to sales cut-off (revenues not being recorded in the proper accounting period) and manual interventions on revenue recognition.

- *Our audit procedures*

  Our audit procedures included:

  - Evaluating the design, implementation and operating effectiveness of key controls (including IT environment) over the existence, accuracy and timing of revenue recognition;
  - Challenging the revenue recognition policies adopted by the Group by making inquiries of management and inspecting a sample of sales contracts to understand the contractual components, the delivery terms and to assess the Group's timing of revenue recognition with reference to the requirements of the prevailing accounting standards;
  - Assessing whether revenue had been recognized in the appropriate accounting period by comparing a sample of sales transactions around the year-end with relevant underlying documents (e.g. delivery documentation);
  - Inspecting manual adjustments to revenue, enquiring of management as to the reason for such adjustments and comparing the details of the adjustments with relevant underlying documentation.

Offset Solutions – planned disposal

We refer to note 4.1 "Management's judgment on presenting and disclosing 'Offset Solutions' as 'Net assets held for sale and discontinued operations'" and note 50.11 "Non-current assets held for sale" of the consolidated financial statements

- *Description*

  As per August 30, 2022, the Group has entered into an agreement to sell the Offset Solutions business. The Group has concluded that the criteria as described in IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' have not been met at December 31, 2022. The non-financial assets of the Offset Solutions cash-generating unit in scope of IAS 36 Impairment of assets have therefore been tested for impairment based on this standard, taking into account that related assets are expected to be recovered principally through a sale transaction.

  This is a Key Audit Matter due to:

  - The importance of the judgment made by the Group in determining that the Offset Solutions cash-generating unit does not meet the criteria as described in IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' and its related impacts on presentation and measurement;
  - The significance of the impairment loss recognized at December 31, 2022 on property, plant and equipment and right-of-use assets attributable to the Offset Solutions cash-generating unit (41 million Euro).

- *Our audit procedures*

  Our audit procedures included:

  - Evaluating the Group 's conclusion on the determination that the Offset Solutions business does not meet the criteria to be classified as "assets held for sale" or "discontinued operations" under IFRS 5 as at December 31, 2022 as it is not considered available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal groups;
  - Evaluating how management performed the impairment assessment for the non-financial assets of the Offset Solutions cash-generating unit in accordance with IAS 36 Impairment of assets, taking into account that related assets are expected to be recovered principally through a sale transaction (not meeting the IFRS 5 criteria for presentation as assets held for sale at December 31, 2022) and assessing the reasonableness of the impairment charge based on the expected cashflows from this sale transaction;
  - Evaluating the completeness, accuracy and relevance of disclosures required by IFRS Standards as issued by the International Accounting Standards Board and as adopted by the European Union.

Board of Directors' responsibilities for the preparation of the consolidated financial statements

The Board of Directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with IFRS Standards as issued by the International Accounting Standards Board and as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the Board of Directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the

Board of Directors has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the Board of Directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' Annual Report on the consolidated financial statements and the other information included in the Annual Report.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the Board of Directors' Annual Report on the consolidated financial statements and the other information included in the Annual Report, and to report on these matters.

Aspects concerning the Board of Directors' Annual Report on the consolidated financial statements and other information included in the Annual Report

Based on specific work performed on the Board of Directors' Annual Report on the consolidated financial statements, we are of the opinion that this report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the Board of Directors' Annual Report on the consolidated financial statements and other information included in the Annual Report:

- Letter to the Shareholders
- Key Figures 2022

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

The non-financial information required by article 3:32 §2 of the Companies' and Associations' Code has been included in the Board of Directors' Annual Report on the consolidated financial statements, which is part of the section Non-Financial Report of the Annual Report. The Company has prepared this non-financial information based on Global Reporting Initiative (GRI) standards. In accordance with article 3:80 §1, 1st paragraph, 5° of the Companies' and Associations' Code, we do not comment on whether this non-financial information has been prepared in accordance with the GRI standards.

Information about independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

European Single Electronic Format (ESEF)

In accordance with the draft standard on the audit of compliance of the Financial Statements with the European Single Electronic Format (hereafter "ESEF"), we have audited as well whether the ESEF-format is in accordance with the regulatory technical standards as laid down in the EU Delegated Regulation nr. 2019/815 of 17 December 2018 (hereafter "Delegated Regulation").

The Board of Directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereafter "digital consolidated financial statements") included in the annual financial report.

It is our responsibility to obtain sufficient and appropriate information to conclude whether the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements under the Delegated Regulation.

In our opinion, based on our work performed, the format of and the tagging of information in the official Dutch version of the digital consolidated financial statements as per December 31, 2022, included in the annual financial report of Agfa-Gevaert NV, are, in all material respects, prepared in compliance with the ESEF requirements under the Delegated Regulation.

Other aspect

This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Antwerp, April 7, 2023

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

F. Poesen
Bedrijfsrevisor / Réviseur d'Entreprises

STATUTORY ACCOUNTS

The following pages are extracts of the statutory annual accounts of Agfa-Gevaert NV prepared under Belgian accounting policies. The management report of the Board of Directors to the Annual General Meeting of Shareholders and the annual accounts of Agfa-Gevaert NV as well as the Auditor's Report, will be filed with the National Bank of Belgium within the statutory stipulated periods. These documents are available on request from Agfa's Investor Relations department and at www.agfa.com/investorrelations.

Only the Consolidated Annual Financial Statements as set forth in the preceding pages present a true and fair view of the financial position and performance of the Agfa-Gevaert Group. The Statutory Auditor's Report is unqualified and certifies that the non-consolidated financial statements of Agfa-Gevaert NV for the year ending December 31, 2022 give a true and fair view of the financial position and results of the Company in accordance with all legal and regulatory dispositions.

INCOME STATEMENTS

(Euro Million)		2021	2022
I. Operating income			
A.	Turnover	410	416
B.	Stocks of finished goods, work and contracts in progress (increase +,decrease -)	(3)	18
C.	Own work capitalised	18	13
D.	Other operating income	80	71
E.	Non-recurring operating income	1	-
Total operating income		**506**	**518**

II. Operating charges			
A.	Raw materials, consumables		
	1. Purchases	218	247
	2. Stocks (increase -, decrease +)	(9)	(10)
B.	Services and other goods	98	136
C.	Remuneration, social security costs and pensions	249	185
D.	Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	28	24
E.	Amounts written off stocks, contracts in progress and trade debtors (appropriations +, write-backs -)	-1	-
F.	Provisions for liabilities and charges (appropriations +, uses and write-backs -)	9	(5)
G.	Other operating charges	15	12
H.	Non-recurring operating charges	-	-
Total operating charges		**607**	**589**

III.	Operating profit/Loss	(101)	(71)
IV.	Financial income	71	361
V.	Financial charges	(106)	(295)
VI.	Gain/ Loss for the period before taxes	(136)	(5)
VII.	Transfer from deferred taxes	-	-
VIII.	Income taxes	-	(1)
IX.	Gain/ Loss of the period	(136)	(6)
X.	Transfer from untaxed reserves	-	-
XI.	Gain/ Loss of the period available for appropriation	(136)	(6)

Appropriation account			
A.	Profit to be appropriated	(496)	(502)
	1. Gain (loss) of the period available for appropriation	(136)	(6)
	2. Accumulated profits (losses)	(360)	(496)
B.	Withdrawals from capital and reserves	-	-
C.	Transfer to capital and reserves	-	-
D.	Accumulated profits (losses)	(496)	(502)
F.	Profit to be distributed	-	-

BALANCE SHEET

(Euro Million)		December 31, 2021	**December 31, 2022**
Assets			
I.	Formation expenses	1	1
II.	Intangible fixed assets	17	14
III.	Tangible fixed assets	40	47
IV.	Financial fixed assets	796	742
V.	Amounts receivable after more than 1 year	4	4
VI.	Stocks and contracts in progress	111	140
VII.	Amounts receivable within one year	649	548
VIII.	Current investments	212	-
IX.	Cash at bank and in hand	59	13
X.	Deferred charges and accrued income	4	6
		1,893	1,515
Liabilities			
I.	Capital	187	187
II.	Share premium account	211	211
IV.	Reserves	304	283
V.	Accumulated profits	(496)	(502)
VI.	Investment grants	-	-
		206	179
VII.	Provisions and deferred taxes	26	21
VIII.	Amounts payable after more than one year	403	624
IX.	Amounts payable within one year	1,257	691
X.	Accrued charges and deferred income	1	-
		1,893	1,515

Corporate Governance Statement

The Company applies the Belgian Corporate Governance Code 2020 as reference code. This Code can be consulted on www.corporate-governancecommittee.be.

In 2020, the Articles of Association of the Company have been conformed to the new Code of Companies and Associations (Law of March 23, 2019).

In 2020, the Board of Directors revised the Corporate Governance Charter of the Company in order to adapt this Charter to the provisions of the Belgian Corporate Governance Code 2020. Within the scope of this revision, the option for a monistic governance structure has also been evaluated and confirmed. The complete Corporate Governance Charter of the Company is published on www.agfa.com/investorrelations.

Unless otherwise stated in the relevant sections of this Statement, the Company is completely in line with the Belgian Corporate Governance Code 2020 for the financial year 2022.

The governance structure of the Company is built up around the Board of Directors, the Chief Executive Officer (CEO) and the Executive Committee (Exco). The Board of Directors is assisted by a Nomination and Remuneration Committee and an Audit Committee.

BOARD OF DIRECTORS

As the ultimate management body of the Company, the Board of Directors is empowered to carry out any necessary or useful actions for the achievement of the corporate purpose, the exception being the powers reserved by law for the General Meeting of Shareholders (such as amendments to the articles of association, capital increases other than through the authorized capital, capital decreases). The powers and operation of the Board of Directors are described extensively in the Corporate Governance Charter. The articles of association determine that the Board of Directors meets whenever the interest of the Company so requires or following a request by two directors.

In 2022, nine effective meetings took place, as well as a couple of short discussions per conference call.

In the course of 2022, the Board of Directors discussed and decided upon, inter alia: defining the corporate strategy and key policies, the transformation process of the Agfa-Gevaert Group, the Inca acquisition, the extension of the share buyback program, the perspectives for 2023 and the action plans for the years to come, ESG related topics, recommendations from the various Committees to the Board of Directors, risk management, the approval of budgets, cost control scenarios, the evolution of important litigations and the approval of the annual accounts.

Directors likely to have conflicting interests with regard to any item on the agenda must disclose the conflict before any deliberation and must abstain from deliberating and voting on that item. More particularly, the directors must not put themselves in conflict situations as described in the Corporate Governance Charter of the Company. Should such an event occur against their will, they must disclose it before any deliberation relating to the conflicting item and must abstain from deliberating and voting on that item.

COMPOSITION OF THE BOARD OF DIRECTORS

The articles of association of the Company provide that the Board of Directors has at least six members, who do not need to be shareholders and who are appointed for a renewable maximum term of four years. The majority of the members are to be non-executive directors, including a minimum of three independent directors.

The mandate of Mrs. Hilde Laga as director ended immediately after the General Meeting of May 10, 2022. She decided not to make herself eligible for re-election. To make sure the Board of Directors has sufficient independent directors, the shareholders elected to appoint Albert House BV, permanently represented by Ms. Line De Decker, as an independent director of the Company, for the duration of four (4) years.

Likewise, the mandate of MRP Consulting BV, permanently represented by Mr. Mark Pensaert, ended immediately after the General Meeting of May 10, 2022. The shareholders elected to reappoint MRP Consulting BV, permanently represented by Mr. Mark Pensaert, as director of the Company for the duration of four (4) years.

During the meeting of the Board of Directors of June 21, 2022, it was decided to accept Ms. Helen Routh's resignation as director of the Company. At the same time, it was decided to co-opt H F Routh Consulting LLC, permanently represented by Ms. Helen Routh, as independent director of the Company until the next General Meeting.

The Board therefore consists today of the following seven members:

- Vantage Consulting BV [1], permanently represented by Frank Aranzana, Chairman, member since 2019, Director of companies;
- PJY Management BV, permanently represented by Pascal Juéry, CEO, member since 2020, Director of companies;
- Klaus Röhrig, member since 2018, Director of companies;
- MRP Consulting BV [1], permanently represented by Mark Pensaert, member since 2018, Director of companies;
- Albert House BV [1], permanently represented by Line De Decker, member since 2022, Director of companies;
- H F Routh Consulting LLC [1], permanently represented by Helen Routh, member since 2022, Director of companies;
- Christian Reinaudo, member since 2010, Director of companies.

(1) Independent director in accordance with article 7:87 §1. of the Code of Companies and Associations

The mandates of H F Routh Consulting LLC, permanently represented by Ms. Helen Routh, of Vantage Consulting BV, permanently represented by Mr. Frank Aranzana, and of Mr. Klaus Röhrig will expire immediately after the General Meeting of Shareholders of May 9, 2023. All three directors shall be eligible for re-election.

At the General Meeting, it therefore will be proposed to the shareholders to reappoint H F Routh Consulting LLC, permanently represented by Ms. Helen Routh, and Vantage Consulting BV, permanently represented by Mr. Frank Aranzana, as independent directors for the duration of four (4) years, and to reappoint Mr. Klaus Röhrig as a non-executive director, also for the duration of four (4) years.

CV'S OF THE MEMBERS OF THE AGFA-GEVAERT BOARD OF DIRECTORS

FRANK ARANZANA (°1958 - French) holds a Bachelor's degree in Economics and Political Sciences from IEP Paris and a Bachelor's degree in Law from Nice University. He later obtained a Master's degree in Management from ESSEC Paris. He started his career in 1986 with Dow Chemical, where he worked in sales, marketing and business management. In 1996, he joined DuPont Dow Elastomers as Business Director. In 1999, he joined UCB as a Director of the Radcure business unit and subsequently Specialty Chemicals, which were sold to Cytec Industries in 2005. He became Vice President of Cytec Surface Specialties and in 2008 President of Cytec Specialty Chemicals, member of Cytec's Executive Leadership team and an Officer of Cytec Industries Inc. In 2013, he was appointed CEO of Allnex, the leading producer of coating resins acquired by Advent International Private Equity and until 2020, he was an Advent Operating partner, sitting on Allnex's Advisory Committee.

Frank Aranzana joined the Board of Directors in May 2019 and was elected Chairman of the Board in August 2020.

Current mandates:

- Chairman of the Board at Anqore
- Industrial Advisor at CVC Capital Partners

LINE DE DECKER (°1974 - Belgian/British) is a senior executive with over 25 years' extensive experience operating at management board level in large, complex, regulated organizations. She combines her excellent communication, influencing and change management skills with an exceptional track record of leading businesses through critical transformations.
Ms. De Decker holds a Law degree from Universities of Leuven and Barcelona, as well as a Master in Tax Management from Solvay Business School. She is the Chief People & Sustainability Officer and a member of the Executive Committee at Aliaxis, a world leader enabling access to water and energy through innovative fluid management solutions. Prior to joining Aliaxis, she was Senior Vice President and Head of Transformation at GlaxoSmithKline, where she led a global initiative aimed at transforming the company, creating new structures and processes fit for the future. Before taking up this role in the global strategy team, she held multiple senior HR roles in Belgium and the UK in the Corporate, Vaccines, Pharma and Consumer business. Prior to GSK, Ms. De Decker worked at DuPont in Belgium and Spain, where she was involved in setting up their global business services. She started her career at PriceWaterhouseCoopers and UCB, as a tax and reward specialist.

Line De Decker joined the Agfa-Gevaert Board of Directors in May 2022.

Current mandates:
Member of the Executive Committee at Aliaxis

PASCAL JUÉRY (°1965 - French) is a graduate from ESCP Business School in Paris, France. He provides more than 30 years of experience in the chemical and advanced material industries. Pascal Juéry started his career in finance and soon demonstrated his ability to lead various global businesses as well as hold key functional responsibilities. Between 2010 and 2019, he was a member of the Executive Committee of Rhodia and then Solvay, where he took an active part in the group's portfolio and business transformation.

Pascal Juéry joined the Agfa-Gevaert Board of Directors in 2020. As from February 1, 2020, he became CEO of Agfa-Gevaert.

Current mandates:
- Board member at Blue Industry & Science
- Board member at Desmet-Ballestra

MARK PENSAERT (°1964 - Belgian) holds a Master of Law from the State University of Ghent (Belgium) and later obtained a Master of Law from the Cambridge University St. Catharine's College. He started his career in 1988 in London with Lazard Brothers & Co, one of the leading independent global investment banks with principal offices in New York, Paris and London. Between 1992 and 1996, he was finance director of Interbuild NV and Rombouts NV. In 1996, he became CFO of Carestel NV (currently part of the Autogrill Group).
Between 2000 and 2004, he returned to the international M&A business by rejoining Lazard Frères in Paris to help establish and set up the M&A platform for Lazard in the Benelux. In 2004, he became a Partner and started the Amsterdam office covering the Benelux. In 2008, he joined, as CEO, Leonardo & Co, a spin-off from Lazard, to establish their network in Continental Europe and from September 2015 until July 2018, he served as Chairman of the investment banking division of Alantra Partners, a global investment banking and asset management group quoted on the Madrid Stock Exchange.

Mark Pensaert joined the Agfa-Gevaert Board of Directors in 2018.

Current mandates:
- Member Supervisory Board of Rabobank

CHRISTIAN REINAUDO (°1954 - French) is a graduate from the 'Ecole de Physique et de Chimie Industrielles de Paris' and holds a doctorate from the University of Paris (France).
He started his career with Alcatel, where he managed several multibillion Euro global businesses and international sales and services organizations, including the Cable Group of Alcatel (now Nexans), the Submarine Networks Division and the whole Optics Group. He enters the Executive Committee of Alcatel in early 2000 as Executive Vice-President. After managing the AsiaPacific Region, he managed the integration and the transition process associated with the merger of Alcatel and Lucent Technologies. In 2007, he was appointed President Northern and Eastern Europe of Alcatel-Lucent and he joined the Board of Directors of Alcatel-Lucent (Belgium). Early 2008, Christian Reinaudo joined Agfa-Gevaert to be President of Agfa HealthCare.

Christian Reinaudo joined the Agfa-Gevaert Board of Directors in 2010. As from May 2010 until February 2020, he was CEO of Agfa-Gevaert.

Current mandates:
- Director of Domo Chemicals Holding NV
- Chairman Biocartis Group NV

KLAUS RÖHRIG (°1977 - Austrian) holds a Master of Economics and Business Administration from Vienna University of Economics and Business Administration. In 2000, Klaus Röhrig started his career at Credit Suisse First Boston in London, focusing on corporate finance and M&A for technology companies. In 2006, he joined Elliott Associates where he was responsible for the funds' investments in the German speaking countries as well as selected debt, equity and sovereign investments. In 2015, Klaus Röhrig founded Active Ownership S.à r.l. (AOC). Throughout his career, he focused on identifying investment opportunities, structuring of investments and process-driven value creation.

Klaus Röhrig joined the Agfa-Gevaert Board of Directors in November 2018. From May 2019 until August 2020, he was Chairman of the Board of Directors.

Current mandates:
- Member of the Supervisory Board of Formycon AG
- Member of the Supervisory Board of Francotyp-Postalia Holding AG

HELEN ROUTH (°1962 - British/American) is a global healthcare executive with a record of solving complex problems at the intersection of innovation and business. She has a PhD in Physics, specializing in medical ultrasound from University College Cardiff (UK). Until 2017, she held diverse business and functional roles in healthcare at Philips, working across products, software and services. She was the General Manager of Philips Research in North America and General Manager of Philips' global Clinical Informatics businesses.
As Senior VP of Strategy and Innovation, she led the development of Innovation Strategy across Royal Philips and was head of the Integrated Solutions team.
She is an invited keynote speaker and panelist on both technical and business topics, and serves as an advisor to small and large companies and academic and clinical organizations in both the US and Europe.

Helen Routh joined the Agfa-Gevaert Board of Directors in May 2019.

Current mandates:
- Non-Executive Director of Ultromics
- Non-Executive Director of Health Innovation Manchester

COMMITTEES ESTABLISHED BY THE BOARD OF DIRECTORS

Audit Committee (AC)
The Audit Committee completes the tasks as described in article 7:99 §4 of the Code of Companies and Associations and assists the Board of Directors in achieving its mission of control in the broadest sense. Its powers and the way it functions are described extensively in chapter 5.1 of the Corporate Governance Charter.

As from May 14, 2019, the Audit Committee consists of the following three non-executive Directors: Mr. M. Pensaert, Chairman, Mr. K. Röhrig and Ms. H. Routh (as permanent representative of H F Routh Consulting LLC since June 21, 2022). Two of them are independent directors. They all meet the requirements described in article 7:99 §2 of the Code of Companies and Associations, with respect to the expertise in the field of accounting and audit.

The Committee held five meetings in 2022. Amongst other items the following topics were discussed: the verification of the annual accounts 2021, the quarterly results of 2022, the reappointment of the Statutory Auditor, the reports of the internal audit department, the follow-up of important legal issues such as the AgfaPhoto files, QARA (Quality Assurance & Regulatory Affairs) and the evaluation of risk management in the Group.

Nomination and Remuneration Committee (NRC)
The Nomination and Remuneration Committee has been entrusted by the Board of Directors with responsibilities concerning the nomination for appointment, reappointment or dismissal of Directors and members of the Executive Management, the remuneration policies and the individual remuneration of the Directors and the members of the Executive Management. Operation and functions of the NRC are described extensively in chapter 5.2 of the Corporate Governance Charter. The Nomination and Remuneration Committee consists exclusively of non-executive directors.

Since May 2022, the Nomination and Remuneration Committee consists of the following three non-executive directors: Mr. C. Reinaudo, Chairman, Ms. L. De Decker and Mr. F. Aranzana. Two of them are independent directors. The NRC had three meetings in 2022 and the following agenda items, among others, were discussed: the composition of the Board of Directors and its Committees, identification of critical roles and their succession planning, the remuneration policy, the performance and remuneration of the Executive Management and Senior Executives and the preparation of the Remuneration Report.

Presence at the meetings of the Board of Directors and the Committees

	Board	AC	NRC
Mr. Frank Aranzana	9/9		3/3
Mr. Christian Reinaudo	9/9		3/3
Ms. Helen Routh	9/9	5/5	
Mr. Pascal Juéry	9/9		
Mrs. Hilde Laga (1)	3/4		2/2
Mr. Mark Pensaert	8/9	5/5	
Mr. Klaus Röhrig	9/9	5/5	
Mrs. Line De Decker (2)	4/5		1/1

(1) Director and member of NRC up to and including May 9, 2022

(2) Director and member of NRC as from May 10, 2022

MANAGEMENT OF THE COMPANY

CEO and Executive Committee (Exco)
The Executive Management is at present entrusted to a Managing Director/CEO assisted by an Exco. Together they represent the Executive Management.

The CEO is responsible for the implementation of the Company's policy and strategy laid down by the Board of Directors. Consequently, he has the most extensive powers regarding day-to-day management as well as a number of specific special powers. These powers are described extensively in the Corporate Governance Charter.

In order to allow the Board of Directors to exercise its control, the CEO regularly reports about his activities and about the development of the subsidiaries and affiliated companies.

Since September 2021, date on which Gunther Koch joined the Exco, the Exco is composed as follows:
- Mr. Dirk De Man, Chief Financial Officer;
- Mr. Luc Delagaye, President Agfa Offset Solutions;
- Mr. Vincent Wille, President Agfa Digital Print & Chemicals;
- Mr. Gunther Koch, Chief Human Resources Officer.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO FINANCIAL REPORTING

Agfa's Executive Management is responsible for the Group's internal control and risk systems including those regarding financial reporting as approved by the Board of Directors. Internal control over financial reporting includes the assessment of the relevant risks, the identification and monitoring of key controls and actions taken to correct deficiencies as identified. The Audit Committee reviews the effectiveness of the internal control and risk management systems.

Control environment
Agfa's control environment comprised in 2022 of central finance functions such as consolidation and reporting, tax, treasury, investor relations on the one hand and finance functions at the level of the four business divisions on the other.

All finance functions report directly to the Chief Financial Officer. All Group entities follow uniform central accounting policies and reporting requirements which are described in Agfa's Group Consolidation Accounting Manual.

Risk management
Based on review meetings with the central functions and the management of the divisions, the Executive Management had, in 2022, a process in place to identify, assess and follow-up on risks including those with regard to the financial reporting process on a regular basis and reports on those risks to the Audit Committee. These risks are being reviewed by the Audit Committee who might define further actions to the Executive Management.

Control activities
In 2022, each division was responsible for the monitoring of the financial performance and forecasting and reports to the Executive Management. The consolidation process, based on a more extensive reporting, was performed on a quarterly basis and reviewed by the Executive Management and the Audit Committee who might define actions to the divisions and the central functions.

Information and communication
All entities use uniform central reporting tools and report in accordance with the instructions and reporting guidelines set out by the central reporting department.

Financial information (including key performance indicators) was prepared on a consistent basis for each division and at consolidated level and reviewed by the appropriate responsible. The Executive Management reports to the Audit Committee on all key risk factors on a regular basis.

Monitoring
One of the responsibilities of the financial department is to improve the procedures used to prepare and process financial information.

Regular reviews are conducted on the key control procedures in the preparation of financial information in the subsidiaries and at Group level in order to ensure proper application of instructions and guidelines with regards to financial reporting.

Internal Audit performs reviews on the monitoring of internal policies, guidelines and controls both relating to financial reporting and operational matters such as sales, production and R&D. Internal Audit reports to the Audit Committee which monitors the effectiveness. The Company Secretary has been appointed as Compliance Officer to monitor the Directors' and other designated persons' compliance with the Group's policy with regard to inside information and market manipulation.

RISK MANAGEMENT

See p. 101 through p. 104.

EVALUATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The major features of the evaluation process for the Board of Directors and its Committees include assessing how the Board of Directors and its Committees operate, checking that the important issues are suitably prepared and discussed, evaluating the actual contribution of each Director's work and their involvement in discussions and decision-making. The complete evaluation process is extensively dealt with in the chapters 3, 4 and 5 of the aforementioned Corporate Governance Charter.

The last formal evaluation occurred in 2021, in which an internal evaluation process has taken place on the initiative of the Chairman of the Board and in collaboration with the Chairman of the Nomination and Remuneration Committee, involving contacts with the members of the Board of Directors and of the Executive Management in order to evaluate the functioning of the Board and the Executive Management (on individual level as well as on a corporate body level) on the one hand and the cooperation and relation between both bodies on the other.

The criteria taken into consideration for the evaluation concerned the size, composition and performance of the Board of Directors and the Committees, as well as the quality of the interaction between the Board of Directors and the Executive Management. The results were based on answers given to a questionnaire (containing about seventy questions divided into ten chapters) on the one hand and the feedback provided during individual interviews on the other.

In the years where no formal evaluation is scheduled, the Chairman of the Board will informally inquire the members of the Board and of the Executive Management at regular intervals regarding the functioning of the various corporate bodies.

DIVERSITY, EQUALITY & INCLUSION

See p. 55 through p. 61.

POLICY REGARDING THE APPROPRIATION OF THE RESULT

The Board of Directors' proposals to the General Meeting of Shareholders with regard to the allocation and distribution of the result take into consideration several factors, such as the Company's financial situation, the operating results, the current and expected cash flows and the plans for expansion.

POLICY REGARDING THE DEALING IN SHARES OF THE COMPANY

Consistent with its principles and values, Agfa formulated a Code of Dealing immediately after the IPO in 1999. The Code contains rules with which Directors and members of senior management have to comply in case they wish to deal in financial instruments of the Company. The Code forbids these persons, inter alia, to deal during well-defined periods preceding the announcement of its financial results and the announcement of other price sensitive information.

Taking into account the Market Abuse Regulation, which became effective on July 3, 2016, Agfa has changed this Code to make it compliant with the current legal regulations. The Code of Dealing was last modified on May 11, 2021. The adapted version of the Code is available on the Company's website as part of the Corporate Governance Charter.

INFORMATION RELATED TO SHARE-BUY-BACK OPERATIONS

See Note 24 p. 211 and Note 37.2 p. 225.

INFORMATION RELATED TO MAJOR EVENTS SUBSEQUENT TO DECEMBER 31, 2022 AND INFORMATION ON CIRCUMSTANCES THAT COULD SIGNIFICANTLY IMPACT THE DEVELOPMENT OF THE GROUP

See Note 47 p. 235.

INFORMATION ON THE R&D ACTIVITIES

See p. 84-86.

INFORMATION RELATED TO THE EXISTENCE OF BRANCHES OF THE COMPANY

Since closing down its only branch office in the United Kingdom (Agfa Materials UK) on May 20, 2022, Agfa-Gevaert NV has no more branches.

INFORMATION RELATED TO THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS

In order to minimize the risk of fluctuations in exchange rates and interest rates, the appropriate hedge contracts were implemented.

These mainly include short-term transactions in foreign currencies, option contracts and interest swaps.

Their implementation occurs according to uniform guidelines, is subject to internal audits, and is limited to cover for the operational activities, and related money investments and financial transactions.

Further detail hereon is provided in the 'Notes to the Consolidated Financial Statements'.

NON-FINANCIAL INFORMATION

See chapter Non-financial information p. 10 through p. 109.

AUDITOR

Agfa-Gevaert NV's Statutory Auditor is KPMG Bedrijfsrevisoren, represented by Mr. Frederic Poesen.

The Statutory Auditor was reappointed at the General Meeting of Shareholders of May 10, 2022, for another three-year term. Hence, the mandate would normally expire immediately following the General Meeting of Shareholders of May 13, 2025. Mandatory rotation rules however will require KPMG to resign after having conducted the audit with respect to financial year 2023. The Board of Directors already prepared the succession of KPMG .

INFORMATION WITH REGARD TO IMPORTANT PARTICIPATIONS

See p. 319.

INFORMATION RELATED TO THE IMPLEMENTATION OF THE EU TAKEOVER DIRECTIVE

The Board of Directors hereby states that the Annual Report has been drafted in accordance with article 34 of the Royal Decree of November 14, 2007. In this respect the Board of Directors explains that:

- A complete overview of the capital structure dated March 22, 2022, is included in the Annual Financial Report;
- There are no statutory restrictions with respect to the transfer of securities of the Company or to the exercise of voting rights;
- There are no special rights attached to the issued shares of the Company;
- The Company has entered into certain financial agreements which would either become effective, be amended and/or terminated due to any change of control over the Company as a result of a public takeover bid;
- The Company is not aware of the existence of shareholder agreements resulting in restrictions on the transfer of securities and/or on the voting rights;
- The procedure for the appointment and replacement of members of the Board and the amendment of the Articles of Association of the Company are extensively described in the Articles of Association and the Corporate Governance Charter of the Company, both of which can be consulted on the Investor Relations page of the website www.agfa.com;
- The powers of the Board of Directors regarding issuing and purchasing stock are extensively described in article 12 of the Articles of Association of the Company (version June 21, 2022);
- All important agreements entered into as from the date of the Royal Decree mentioned above, to which the Company is a party and which contain a 'change of control' clause, have been submitted for approval to the respective annual meetings;

- The agreements with the members of the Executive Management no longer contain a 'change of control' clause, following which they would receive compensation if their agreement with the Company would terminate as a result of a change of the control over the Company.

GENERAL INFORMATION ABOUT THE COMPANY

Agfa-Gevaert NV (Company number 0404.021.727, Register of Legal Entities Antwerp) is a listed company under Belgian law, incorporated on June 10, 1964.

The registered office of the Company is located at Septestraat 27, 2640 Mortsel, Belgium.
The full and annotated financial data and statements are available on the website of the Company, www.agfa.com, or at the registered office of the Company itself. Information with respect to environmental matters can be found in the Sustainability Report of the Company which is integrated in this Annual Report.

AVAILABILITY OF INFORMATION

The Company's Articles of Association are available at the clerk's office of the commercial court of Antwerp (Belgium) and at the registered office of the Company. They can also be found on the website of the Company, www.agfa.com.

The Corporate Governance Charter and the Code of Dealing can be found on the Investor Relations page of the website www.agfa.com.

The annual accounts are filed with the National Bank of Belgium.

The annual accounts, together with the related reports, are communicated every year to the holders of registered shares and upon request to any interested party.

The Annual Report, the remuneration report, the statutory and consolidated annual accounts including the report of the auditor, as well as the remuneration policy, can be found on the website www.agfa.com and at the registered office.

The convocation to the General Meeting of Shareholders is published in the financial press and can also be found on the website. As regards financial information, the financial results and the other required information are published on the website of the Company, in compliance with the guidelines of the Financial Services and Markets Authority (FSMA).

The decisions with respect to the nomination and dismissal of members of the Board of Directors are published in the Annexes to the Belgian State Gazette.

Any interested party can register free of charge on www.agfa.com to receive the press releases and required financial information by e-mail.

The Annual Report is available on the website www.agfa.com, in Dutch and English.

Remuneration report

The Nomination and Remuneration Committee (NRC) meets at least three times a year to, among other things, develop proposals to the Board on the remuneration policy and level for the Directors and the members of the Executive Management.

The NRC had three meetings in 2022 and the following agenda items, among others, were discussed: the composition of the Board of Directors and its Committees, identification of critical roles and their succession planning, the remuneration policy, the performance and remuneration of the Executive Management and Senior Executives and the preparation of the Remuneration Report.

The NRC would like to refer to the Annual Financial Report of the Group for a detailed description of the operating results that have affected the results of the different divisions of the Group, and consequently the remuneration of the Executive Management.

There were no changes in the composition of the Executive Management team in 2022.

REMUNERATION RESULTS FOR THE YEAR 2022

Remuneration policy

The new remuneration policy, approved by the shareholders at the Annual Meeting held on May 11, 2021, is available on the Company's website: www.agfa.com/investor-relations. This remuneration policy is aligned with the Shareholders' Rights Directive II, the Companies and Associations Code and the Corporate Governance Code 2020.

Remuneration of Directors and members of the Committees

The current remuneration policy for Directors and members of the Committees was established at the Annual Meeting held in 2021 and varies according to the number of meetings attended. The remuneration of the Chairman of the Board is an all-inclusive fee.

Further details on the remuneration for fiscal year 2022 are provided later in this remuneration report.

Remuneration of the members of the Executive Management

The remuneration package of the members of the Executive Management consists of (i) a base salary, (ii) benefits, (iii) short and long-term variable remuneration and (iv) pension-related benefits. These various components are described in more detail in the Company's remuneration policy.

The impact of the Global Bonus Plan on the remuneration of the Executive Committee in the year 2022 is further specified in this Remuneration Report.

Dialogue with Shareholders

The Annual Meeting held on May 10, 2022, approved the previous remuneration report with 83.9% of the votes (compared to 57.4% of the votes in 2021). When drafting and revising its remuneration policy, Agfa-Gevaert takes into account the votes and suggestions of its shareholders. Agfa-Gevaert invites its shareholders to an open and transparent communication on its remuneration policy and other Corporate Governance aspects.

REMUNERATION POLICY 2022 IN SUMMARY

Board of Directors

As stipulated in the current policy, non-executive Directors receive a fixed fee and possibly an attendance fee. The non-executive Directors do not receive any performance-related remuneration directly related to the Company's results. The non-executive Directors also did not receive any part of their remuneration in the form of shares of the company for the fiscal year 2022. In accordance with the policy, non-executive board members do not receive equity-related remuneration as referred to under provision 7.6 of the 2020 Corporate Governance Code. Agfa adheres to Principle 6 of the Code and considers that remunerating the non-executive directors entirely in cash serves better the avoidance of any conflicts of interests and guarantees their complete independence of mind. Expenses (e.g. for intercontinental or international travel) are reimbursed separately. The CEO only receives compensation as a member of the Executive Management. He does not receive a separate fee for his role as Executive Director.

Executive Management

The remuneration policy was revised when Mr. Juéry joined the company as CEO. The new remuneration policy submitted for approval to the annual meeting held in 2021 builds on the approach taken in the contractual arrangements with Mr. Juéry. This new policy is rolled out further as new members join the Executive Committee or whenever the current members of the Executive Committee wish to adapt their existing contractual arrangements to such new policy. The NRC regularly reviews the appropriateness of remuneration for executive management and, where necessary, makes proposals to the Board of Directors for changes.

The remuneration of the CEO consists of a fixed remuneration, a short-term variable remuneration and a long-term variable remuneration. The allocation and amount of short-term variable compensation depends on the Group results and on the achievement of personal objectives set by the Board of Directors. The long-term variable compensation was embedded in a Stock Appreciation Rights Plan and may lead to an additional cash bonus.

The main elements of this Stock Appreciation Rights Plan are:

- Mr. Juéry will be granted 200,000 Stock Appreciation Rights annually for a period of five years, commencing on February 1, 2020.
- The strike price for these Stock Appreciation Rights has been set for the year 2020 at 4.75 Euro (to be adjusted downwards for any dividend distribution). Since 2021, the strike price is depending on the average closing price of the Agfa-Gevaert share during the 30 days preceding the grant date.
- The Stock Appreciation Rights vest at the end of each calendar year for a period of three years at a rate of one-third of each grant.
- The Stock Appreciation Rights can be exercised at the earliest three years after grant.
- In addition, Mr. Juéry is entitled to reimbursement of reasonable international travel expenses and representation expenses.

The remuneration of the members of the Executive Committee consists of a fixed remuneration, a short term and a long term remuneration. The short term cash component amounts to 50% of their base salary and is based on achieving financial and personal objectives of no more than one year. The long term component is covered by a Stock Appreciation Rights Plan. The variable compensation may be partially converted into a pension contribution. In addition, the members of the Executive Committee are entitled to certain benefits in kind, such as a company car, a representation allowance, meal vouchers and various insurances. Upon the recruitment of one of the Executive Committee Members, a sign-on bonus of € 100,000 was awarded to buy out lost compensation which the candidate held prior to joining Agfa-Gevaert. This sign-on bonus will be paid out over a period of 2 years.

ACQUIRED COMPENSATION FOR THE YEAR 2022

Board of Directors

Table 1 - Compensation of the Directors for the reported fiscal year. The Directors do not receive any compensation from other companies of the Agfa-Gevaert Group.

	Fixed remuneration			Variable remuneration					
name of director, position	Board Fee	Committee Fee	Other benefits	One-year variable	Multi-year variable	Extraordinary items	Pension	Total remuneration	Proportion of fixed and variable remuneration
Frank Aranzana (1)	180,000 €	0 €	0 €	0 €	0 €	0 €	0 €	180,000 €	
Pascal Juéry (2)	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	
Mark Pensaert (3)	52,500 €	25,000 €	0 €	0 €	0 €	0 €	0 €	77,500 €	
Christian Reinaudo (4)	55,000 €	15,000 €	0 €	0 €	0 €	0 €	0 €	70,000 €	
Klaus Röhrig (5)	55,000 €	12,500 €	0 €	0 €	0 €	0 €	0 €	67,500 €	
Helen Routh (6)	55,000 €	12,500 €	0 €	0 €	0 €	0 €	0 €	67,500 €	
Line De Decker (7)	50,000 €	7,500 €	0 €	0 €	0 €	0 €	0 €	57,500 €	
TOTAL	**447,500 €**	**72,500 €**	**0 €**	**0 €**	**0 €**	**0 €**	**0 €**	**520,000 €**	**Variable : 0.00%**

(1) Chairman of the Board and member of the NRC. Permanent representative of Vantage Consulting SRL.

(2) Executive director (CEO). Permanent representative of PJY Management BV.

(3) Non-executive director and member of the Audit Committee. Permanent representative of MRP Consulting BV.

(4) Non-executive director and chairman of the NRC.

(5) Non-executive director and member of the Audit Committee.

(6) Non-executive director and member of the Audit Committee. As natural person until June 20th , 2022.
Permanent representative of H F Routh Consulting LLC as of June 21th, 2022.

(7) Non-executive director and member of the NRC. Permanent representative of Albert House BV.

CEO

Table 2 - CEO compensation.

	Fixed remuneration			Variable remuneration					
name of director, position	Base remuneration	Fees	Other benefits	One-year variable	Multi-year variable	Extraordinary items	Pension	Total remuneration	Proportion of fixed and variable remuneration (*)
Pascal Juéry (1) - CEO	780,000 €	0 €	0 €	334,360 €	0 €	0 €	0 €	1,114,360 €	Fixed : 70.00%
TOTAL	**780,000 €**	**0 €**	**0 €**	**334,360 €**	**0 €**	**0 €**	**0 €**	**1,114,360 €**	**Variable : 30.00%**

(1) Executive director (CEO). Permanent representative of PJY Management BV.

Executive Committee

Table 3 - Aggregated remuneration of the members of the Executive Committee in 2022.

	Fixed remuneration			Variable remuneration					
name of director, position	Base remuneration	Fees	Other benefits	One-year variable	Multi-year variable	Extraordinary items	Pension	Total remuneration	Proportion of fixed and variable remuneration (*)
Executive Committee	1,325,006 €	136,800 €	61,209 €	641,030 €	0 €		245,576 €	2,409,621 €	
TOTAL	**1,325,006 €**	**136,800 €**	**61,209 €**	**641,030 €**	**0 €**	**0 €**	**245,576 €**	**2,409,621 €**	**Variable : 26.60%**

(*) Extraordinary items are not taken into account for the calculation of the proportion of fixed and variable remuneration.

Share-based compensation

Next to Mr. Pascal Juéry, all members of the Executive Committee are entitled to receive stock-based compensation as long-term variable compensation.

		Main conditions of the share option plan					Information regarding the reported financial year			
							Opening balance	in the course of the year		closing balance
name & position	Specification of the plan	award date	vesting date	end of retention period	exercise period	strike price	share options held at beginning of the year	a) # options awarded b) value underlying shares @ offer date	a) # options vested b) value underlying shares @ vesting date c) value @ strike price d) gain @ vesting date	share options awarded and unvested
Pascal Juéry [1]	SAR 2020	1/02/2020	1/02/2021	01-02-2023	1/02/2023 -	4.75 €	-	a) 200,000	a) 133,333	66,667
	SAR 2020		1/02/2022		unlimited			b) 405,935	b) 270,623	
	SAR 2020		1/02/2023						c) 0	
									d) 0	
	SAR 2021	9/03/2021	9/03/2022	09-03-2024	9/03/2024 - 9/03/2029	3.78 €	200,000	a) 200,000	a) 66,667	133,333
	SAR 2021		9/03/2023		9/03/2024 - 9/03/2029			b) 334,000	b) 111,333	
	SAR 2021		9/03/2024		9/03/2024 - 9/03/2029				c) 0	
									d) 0	
	SAR 2022	9/03/2022	9/03/2023	09-03-2025	9/03/2025 - 9/03/2030	3.60 €	400,000	a) 200,000	a) 0	200,000
	SAR 2022		9/03/2024		9/03/2025 - 9/03/2030			b) 288,000	b) 0	
	SAR 2022		9/03/2025		9/03/2025 - 9/03/2030				c) 0	
									d) 0	
Executive Committee	SAR 2021	9/03/2021	9/03/2022	09-03-2024	9/03/2024 - 9/03/2029	3.78 €	-	a) 90,000	a) 30,000	60,000
	SAR 2021		9/03/2023		9/03/2024 - 9/03/2029			b) 150,300	b) 50,100	
	SAR 2021		9/03/2024		9/03/2024 - 9/03/2029				c) 0	
									d) 0	
	SAR 2022	9/03/2022	9/03/2023	09-03-2025	9/03/2025 - 9/03/2030	3.60 €	90,000	a) 328,000	a) 0	328,000
	SAR 2022		9/03/2024		9/03/2025 - 9/03/2030			b) 472,320	b) 0	
	SAR 2022		9/03/2025		9/03/2025 - 9/03/2030				c) 0	
TOTAL										

(1) Executive director (CEO). Permanent representative of PJY Management BV.

Severance payments

No severance payments were made to members of the Executive Management in 2022.

Comparative information

Table 5 provides comparative information regarding the annual change in remuneration and performance, as well as the ratio between the highest remuneration of members of Executive Management and the lowest remuneration (in full-time equivalent) of employees.Only active board members have been taken into account.

The evolution in remuneration for the CEO is mainly related to the company performance. No extraordinary items have been taken into account for the ease of comparison.

The evolution in aggregated remuneration for the Executive Committee members is mainly a combination of company performance related remuneration. No extraordinary items have been taken into account, nor severance packages, for ease of comparison.

We are reporting the average remuneration of employees on a full-time equivalent base. For the average remuneration of the employees of the company only employees in Belgium have been considered. The average remuneration of the employees of the Group takes into account all employees worldwide.

Table 5 - Comparative table on the remuneration and Company performance over the last five reported financial years (RFY).

	RFY-4 vs RFY-5	RFY-3 vs RFY-4	RFY-2 vs RFY-3	RFY1 vs RFY-2	RFY vs RFY-1	Information regarding the RFY
name of director, position	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	
Remuneration of Directors and Executive Committee						
Frank Aranzana (1)			141%	38%	0%	180,000
Pascal Juéry (2)						
Mark Pensaert (3)		-7%	8%	3%	0%	77,500
Christian Reinaudo (4)	0%	-10%	27%	17%	0%	70,000
Klaus Röhrig (5)			-30%	-42%	4%	67,500
Helen Routh (6)			16%	0%	4%	67,500
Line De Decker (7)						
CEO (excl. Agfa Gevaert NV director fee)	10%	3%	-50%	48%	-3%	1,114,360
Executive Committee	14%	1%	-43%	21%	24%	2,105,959
Company Performance						
Financial metric A: revenue	-10%	-10%	-13%	3%	6%	1.875 mio
Financial metric B: EBITDA	-18%	-16%	-35%	5%	-10%	94 mio
Financial metric C: Net profit	-133%	-220%	1394%	-102%	1493%	-223 mio
Non-financial metric C						
Average Remuneration of employees, on a full-time equivalent base						
Employees of the company			71,885 €	74,994 €	81,751 €	
Employees of the Group			61,070 €	62,836 €	68,663 €	
Ratio highest/lowest remuneration			22.5	28.7	35.0	

(1) Chairman of the Board and member of the NRC. Permanent representative of Vantage Consulting SRL.

(2) Executive director (CEO). Permanent representative of PJY Management BV.

(3) Non-executive director and member of the Audit Committee. Permanent representative of MRP Consulting BV.

(4) Non-executive director and chairman of the NRC.

(5) Non-executive director and member of the Audit Committee.

(6) Non-executive director and member of the Audit Committee. As natural person until June 20th , 2022. Permanent representative of H F Routh Consulting LLC as of June 21th, 2022.

(7) Non-executive director and member of the NRC. Permanent representative of Albert House BV.

Appendices

GRI CONTENT INDEX

Statement of use	Agfa-Gevaert NV has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.		
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GRI STANDARD	DISCLOSURE	LOCATION	Page
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	2-2 Entities included in the organization's sustainability reporting	About this report - Scope of the reported data and reporting process	20
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	2-14 Role of the highest governance body in sustainability reporting	Company information - Our governance structure	99
	2-15 Conflicts of interest	Corporate Governance Statement	267-277
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CONSOLIDATED KPI TABLE

Beneath a summary of our progress regarding the main Key Performance Indicators.
More details about specific split, e.g. waste per destination type, and explanations about the actions driving the changes are given in the dedicated sections of this report.
As we started tracking different KPIs at different points in time, some older data might be unavailable.
We plan to gradually increase the number of disclosed KPIs over time based on the needs identified in dialogue with our internal and external stakeholders.

	Key Performance Indicators (KPIs)	Unit of Measure	**2022**	2021	Evolution 1-year	2017	Evolution 5-year	2012	Evolution 10-years
Focus on our Planet	Production volumes	tons/year	109,191	124,167	-12.1%	167,800	-34.9%	241,531	-54.8%
	Percentage of aluminum recovery	%	28.1%	25.7%	9.1%	21.7%	29.7%	-	-
	Total waste volume	tons/year	23,759	26,478	-10.3%	32,041	-25.8%	55,730	-57.4%
	Specific waste volume	kg/ton of product	217.6	213.2	2.0%	191.0	14.0%	230.7	-5.7%
	Share of hazardous waste	%	22.0%	22.3%	-1.5%	14.4%	52.5%	23.4%	-6.1%
	Waste diverted from disposal	%	91.2%	92.3%	-1.2%	85.9%	6.1%	85.7%	6.4%
	Total water consumption	m^3/year	3,631,000	3,184,122	14.0%	4,996,281	-27.3%	6,637,563	-45.3%
	Specific water consumption	m^3/ton of product	33.3	25.6	29.9%	29.8	11.8%	27.5	21.2%
	Total waste water volume	m^3/year	1,077,207	1,092,343	-1.4%	1,810,981	-40.5%	3,012,470	-64.2%
	Specific waste water volume	m^3/ton of product	9.87	8.80	12.2%	10.79	-8.5%	12.47	-20.9%
	Waste water pollutant load	tons per year	195	207	-5.8%	461	-57.7%	718	-72.8%
	Total energy consumption	TJ/year	2,012	2,124	-5.3%	2,753	-26.9%	3,534	-43.1%
	Specific energy consumption	GJ/ton of product	18.4	17.1	7.5%	16.4	12.2%	14.6	25.7%
	Total CO_2 emissions (scope 1 + scope 2) to air	ktons/year	128.9	137.7	-6.4%	182.1	-29.2%	230.1	-44.0%
	Specific CO_2 emissions to air	tons/ton of product	1.181	1.109	6.5%	1.085	8.8%	0.952	24.0%
	Emissions of ozone-depleting substances	kg R11 equivalents/year	731	3,008	-75.7%	-	-	-	-
	NO_x, SO_2, VOC, VIC emissions	tons per year	126.0	135.2	-6.8%	214.9	-41.4%	327.4	-61.5%
	VOC emissions	tons per year	35.4	38.2	-7.4%	112.7	-68.6%	171.6	-79.4%
	Specific VOC emissions	kg/ton of product	0.32	0.31	3.9%	0.67	-52.3%	0.71	-55.0%
Focus on our People	Frequency rate (Fg) of reportable accidents	(Number of accidents / Performance hours) * 1.000.000	2.29	1.17	95.6%	1.89	21.5%	3.05	-25.0%
	Frequency rate (Fg) of accidents with more than one working day lost	(Number of accidents / hours worked) * 1.000.000	5.35	5.02	6.6%	5.28	1.4%	5.79	-7.7%
	Number of accidents with one day lost	-	35	30	16.7%	42	-16.7%	55	-36.4%
	Degree of severity of accidents involving more than one working day lost	(Number of working days lost / hours worked) * 1.000	0.104	0.145	-28.2%	0.131	-20.7%	0.196	-46.9%
	Total women share in workforce	%	22.7%	22.9%	-1.0%	22.5%	1.0%	-	-
	Total women share on recruitment	%	32.8%	30.9%	6.3%	27.6%	18.9%	-	-
	Women share as Executive Manager (level 1 and 0)	%	11.1%	13.3%	-16.8%	5.6%	99.8%	-	-
	Women share as Executive Manager (level 2)	%	11.9%	9.5%	25.0%	9.3%	27.5%	-	-
	Women share as Middle Manager	%	18.2%	16.9%	8.0%	14.5%	25.9%	-	-
	Women share as Manager	%	23.0%	22.7%	1.4%	20.3%	13.5%	-	-
	Women share as Employee	%	23.2%	23.7%	-2.0%	24.0%	-3.5%	-	-
Focus on a Sustainable Performance	Contracts signed by key and core suppliers including Agfa Supplier of CoC	%	100.0%	100.0%	0.0%	-	-	-	-
	% annual turnover invested in R&D (for the full group)	%	5.4%	5.4%	0.9%	-	-	-	-

NOTES ON CHANGES TO KPI DATA

In this non-financial Sustainability report, the following restatements of information must be reported compared to the previous reporting period:

- On page 35 in Annual Report 2021: The production volume in numbers indicated approximately 2,295 units for medical applications in 2021, while it should have been read as 27,295 units (typographical error)
- The figure reported for waste water pollutant load in 2021 has been modified from 246.2 to 207.3 tons per year due to an error in the reported value of aluminum in Wiesbaden in Germany

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2021

				Substantial contribution criteria					
Economic activites [1]	Code(s) [2]	Absolute turover [3]	Proportion of turnover [4]	Climate change mitigation [5]	Climate change adaption [6]	Water and marine resources [7]	Circular economy [8]	Pollution [9]	Biodiversity and ecosystems [10]
		Currency	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmental sustainable activities (Taxonomy-aligned)									
Turnover of environmental sustainable activities (Taxonomy-aligned) (A.1)		€ -	0.0%	0.0%	0.0%	-	-	-	-
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)									
3.6 Manufacture of other low carbon technologies	C22	€ 1,744,786	0.1%						
3.17 Manufacture of plastics in primary form	C20.16	€ 475,172,747	27.0%						
4.15 District heating/cooling distribution	D35.30	€ -	0.0%						
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	D35.11	€ -	0.0%						
4.11 Storage of thermal energy	-	€ -	0.0%						
5.3 Construction, extension and operation of waste water collection and treatment	E37.00	€ -	0.0%						
5.9 Material recovery from non-hazardous waste	E38.32	€ 8,144,604	0.5%						
6.4 Operation of personal mobility devices, cycle logistics	N77.11	€ -	0.0%						
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	N77.11	€ -	0.0%						
7.3 Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C25, C33.12	€ -	0.0%						
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42, F43, M71, C25	€ -	0.0%						
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, C25	€ -	0.0%						
8.1 Data processing, hosting and related activities	J63.11	€ 8,030,000	0.5%						
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€ 493,092,138	28.0%						
Total (A.1 + A.2)		€ 493,092,138	28.0%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities (B)		€ 1,267,160,863	72.0%						
Total (A + B)		€ 1,760,253,000	100.0%						

DNSH criteria (Does Not Significantly Harm)										
Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safe-guards (17)	Taxonomy aligned proportion of turnover, year 2021 (18)	Taxonomy aligned proportion of turn-over, year 2020 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
-	N	-	-	-	-	-	0.0%	-		
							0.0%	-		

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2021

				Substantial contribution criteria					
Economic activites [1]	Code(s) [2]	Absolute CapEx [3]	Proportion of CapEx [4]	Climate change mitigation [5]	Climate change adaption [6]	Water and marine resources [7]	Circular economy [8]	Pollution [9]	Biodiversity and ecosystems [10]
		Currency	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmental sustainable activities (Taxonomy-aligned)									
CapEx of environmental sustainable activities (Taxonomy-aligned) (A.1)		€ -	0.0%	0.0%	0.0%	-	-	-	-
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)									
3.6 Manufacture of other low carbon technologies	C22	€ 414,853	1.6%						
3.17 Manufacture of plastics in primary form	C20.16	€ 8,719,518	33.4%						
4.15 District heating/cooling distribution	D35.30	€ 61,011	0.2%						
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	D35.11	€ -	0.0%						
4.11 Storage of thermal energy	-	€ 187,688	0.7%						
5.3 Construction, extension and operation of waste water collection and treatment	E37.00	€ -	0.0%						
5.9 Material recovery from non-hazardous waste	E38.32	€ -	0.0%						
6.4 Operation of personal mobility devices, cycle logistics	N77.11	€ -	0.0%						
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	N77.11	€ -	0.0%						
7.3 Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C25, C33.12	€ 21,111	0.1%						
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42, F43, M71, C25	€ -	0.0%						
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, C25	€ -	0.0%						
8.1 Data processing, hosting and related activities	J63.11	€ -	0.0%						
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€ 9,404,181	36.1%						
Total (A.1 + A.2)		€ 9,404,181	36.1%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities (B)		€ 16,681,044	63.9%						
Total (A + B)		€ 26,085,224	100.0%						

DNSH criteria (Does Not Significantly Harm)										
Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safe-guards (17)	Taxonomy aligned proportion of CapEx, year 2021 (18)	Taxonomy aligned proportion of Capex, year 2020 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
-	N	-	-	-	-	-	0.0%	-		
							0.0%	-		

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2021

				Substantial contribution criteria					
Economic activites (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		Currency	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmental sustainable activities (Taxonomy-aligned)									
OpEx of environmental sustainable activities (Taxonomy-aligned) (A.1)		€ -	0.0%	0.0%	0.0%	-	-	-	-
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)									
3.6 Manufacture of other low carbon technologies	C22	€ 508,335	0.3%						
3.17 Manufacture of plastics in primary form	C20.16	€ 40,575,716	27.4%						
4.15 District heating/cooling distribution	D35.30	€ 795,562	0.5%						
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	D35.11	€ 3,190,401	2.2%						
4.11 Storage of thermal energy	-	€ -	0.0%						
5.3 Construction, extension and operation of waste water collection and treatment	E37.00	€ 1,594,513	1.1%						
5.9 Material recovery from non-hazardous waste	E38.32	€ 290,000	0.2%						
6.4 Operation of personal mobility devices, cycle logistics	N77.11	€ -	0.0%						
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	N77.11	€ -	0.0%						
7.3 Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C25, C33.12	€ -	0.0%						
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42, F43, M71, C25	€ -	0.0%						
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, C25	€ 445	0.0%						
8.1 Data processing, hosting and related activities	J63.11	€ -	0.0%						
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€ 46,954,972	31.7%						
Total (A.1 + A.2)		€ 46,954,972	31.7%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities (B)		€ 101,190,666	68.3%						
Total (A + B)		€ 148,145,639	100.0%						

DNSH criteria (Does Not Significantly Harm)										
Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safe-guards (17)	Taxonomy aligned proportion of OpEx, year 2021 (18)	Taxonomy aligned proportion of OpEx, year 2020 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
-	N	-	-	-	-	-	0.0%	-		
							0.0%	-		

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2022

				Substantial contribution criteria					
Economic activites [1]	Code(s) [2]	Absolute turover [3]	Proportion of turnover [4]	Climate change mitigation [5]	Climate change adaption [6]	Water and marine resources [7]	Circular economy [8]	Pollution [9]	Biodiversity and ecosystems [10]
		Currency	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmental sustainable activities (Taxonomy-aligned)									
Turnover of environmental sustainable activities (Taxonomy-aligned) (A.1)		€ -	0.0%	0.0%	0.0%	-	-	-	-
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)									
3.6 Manufacture of other low carbon technologies	C22	€ 4,064,331	0.2%						
3.17 Manufacture of plastics in primary form	C20.16	€ 482,184,998	26.0%						
4.15 District heating/cooling distribution	D35.30	€ -	0.0%						
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	D35.11	€ -	0.0%						
4.11 Storage of thermal energy	-	€ -	0.0%						
5.3 Construction, extension and operation of waste water collection and treatment	E37.00	€ -	0.0%						
5.9 Material recovery from non-hazardous waste	E38.32	€ 6,949,958	0.4%						
6.4 Operation of personal mobility devices, cycle logistics	N77.11	€ -	0.0%						
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	N77.11	€ -	0.0%						
7.3 Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C25, C33.12	€ -	0.0%						
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42, F43, M71, C25	€ -	0.0%						
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, C25	€ -	0.0%						
8.1 Data processing, hosting and related activities	J63.11	€ 9,600,000	0.5%						
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€ 502,799,287	27.1%						
Total (A.1 + A.2)		€ 502,799,287	27.1%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities (B)		€ 1,354,186,713	72.9%						
Total (A + B)		€ 1,856.986,000	100.0%						

DNSH criteria (Does Not Significantly Harm)										
Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safe-guards (17)	Taxonomy aligned proportion of turnover, year 2022 (18)	Taxonomy aligned proportion of turn-over, year 2021 (19)	Category (enabling activity or) (20)	Category (transitional activity) (21)
Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
-	N	-	-	-	-	-	0.0%	0.0%		
							0.0%	0.0%		

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2022

				Substantial contribution criteria					
Economic activites (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		Currency	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmental sustainable activities (Taxonomy-aligned)									
CapEx of environmental sustainable activities (Taxonomy-aligned) (A.1)		€ -	0.0%	0.0%	0.0%	-	-	-	-
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)									
3.6 Manufacture of other low carbon technologies	C22	€ 2,270,447	7.0%						
3.17 Manufacture of plastics in primary form	C20.16	€ 7,088,812	21.8%						
4.15 District heating/cooling distribution	D35.30	€ 29,232	0.1%						
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	D35.11	€ -	0.0%						
4.11 Storage of thermal energy	-	€ 104,002	0.3%						
5.3 Construction, extension and operation of waste water collection and treatment	E37.00	€ -	0.0%						
5.9 Material recovery from non-hazardous waste	E38.32	€ -	0.0%						
6.4 Operation of personal mobility devices, cycle logistics	N77.11	€ -	0.0%						
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	N77.11	€ -	0.0%						
7.3 Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C25, C33.12	€ -	0.0%						
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42, F43, M71, C25	€ 172,750	0.5%						
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, C25	€ -	0.0%						
8.1 Data processing, hosting and related activities	J63.11	€ -	0.0%						
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€ 9,665,243	29.7%						
Total (A.1 + A.2)		€ 9,665,243	29.7%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities (B)		€ 22,879,221	70.3%						
Total (A + B)		€ 32,544,464	100.0%						

DNSH criteria (Does Not Significantly Harm)										
Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safe-guards (17)	Taxonomy aligned proportion of CapEx, year 2022 (18)	Taxonomy aligned proportion of Capex, year 2021 (19)	Category (enabling activity or) (20)	Category (transitional activity) (21)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
-	N	-	-	-	-	-	0.0%	0.0%		
							0.0%	0.0%		

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2022

				Substantial contribution criteria					
Economic activites (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		Currency	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmental sustainable activities (Taxonomy-aligned)									
OpEx of environmental sustainable activities (Taxonomy-aligned) (A.1)		€ -	0.0%	0.0%	0.0%	-	-	-	-
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)									
3.6 Manufacture of other low carbon technologies	C22	€ 959,713	0.6%						
3.17 Manufacture of plastics in primary form	C20.16	€ 39,670,948	25.6%						
4.15 District heating/cooling distribution	D35.30	€ 1,033,167	0.7%						
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	D35.11	€ 2,513,675	1,6%						
4.11 Storage of thermal energy	-	€ -	0.0%						
5.3 Construction, extension and operation of waste water collection and treatment	E37.00	€ 1,035,914	0.7%						
5.9 Material recovery from non-hazardous waste	E38.32	€ 290,000	0,2%						
6.4 Operation of personal mobility devices, cycle logistics	N77.11	€ -	0.0%						
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	N77.11	€ 630	0.0%						
7.3 Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C25, C33.12	€ -	0.0%						
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42, F43, M71, C25	€ 29,518	0.0%						
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, C25	€ 25,880	0.0%						
8.1 Data processing, hosting and related activities	J63.11	€ -	0.0%						
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€ 45,559,445	29.3%						
Total (A.1 + A.2)		€ 45,559,445	29.3%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities (B)		€ 109,680,708	70.7%						
Total (A + B)		€ 155,240,153	100.0%						

DNSH criteria (Does Not Significantly Harm)										
Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safe-guards (17)	Taxonomy aligned proportion of OpEx, year 2022 (18)	Taxonomy aligned proportion of OpEx, year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
-	N	-	-	-	-	-	0.0%	0.0%		
							0.0%	0.0%		

2022 COMPLEMENTARY DISCLOSURES REFERRED TO IN ARTICLE 8(6) AND (7)

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR)

	Economic activities	Amount and proportion for KPI Turnover					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
8	Total applicable KPI	€ -	0%	€ -	0%	€ -	0%

	Amount and proportion for KPI CapEx						Amount and proportion for KPI OpEx					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR)

Economic activities		Amount and proportion for KPI Turnover					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%

	Amount and proportion for KPI CapEx						Amount and proportion for KPI OpEx					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%

TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Economic activities		Amount and proportion for KPI Turnover					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	€ -	0%	€ -	0%	€ -	0%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	€ 502,799,287	0%	€ 502,799,287	0%	€ -	0%
8	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	€ 502,799,287	100%	€ 502,799,287	100%	€ -	0%

Amount and proportion for KPI CapEx						Amount and proportion for KPI OpEx					
CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
€ -	0%	€ -	0%	€ -	0%	€ 2,513,675	5.5%	€ 2,513,675	5.5%	€ -	0%
€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%	€ -	0%
€ 9,665,243	0%	€ 9,665,243	0%	€ -	0%	€ 43,045,770	94.5%	€ 43,045,770	94.5%	€ -	0%
€ 9,665,243	100%	€ 9,665,243	100%	€ -	0%	€ 45,559,445.09	100%	€ 45,559,445	100%	€ -	0%

TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES

	Economic activities
1	Amount and proportion of economic activity referred to in row 1 of 'Nuclear and fossil gas related activities' that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI
2	Amount and proportion of economic activity referred to in row 2 of 'Nuclear and fossil gas related activities' that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI
3	Amount and proportion of economic activity referred to in row 3 of 'Nuclear and fossil gas related activities' that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI
4	Amount and proportion of economic activity referred to in row 4 of 'Nuclear and fossil gas related activities' that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI
5	Amount and proportion of economic activity referred to in row 5 of 'Nuclear and fossil gas related activities' that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI
6	Amount and proportion of economic activity referred to in row 6 of 'Nuclear and fossil gas related activities' that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI

	KPI Turnover		KPI CapEx		KPI OpEx	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%
	€ -	0%	€ -	0%	€ -	0%
	€ 1,354,186,713	100%	€ 22,879,221	100%	€ 109,680,708	100%
	€ 1,354,186,713	100%	€ 22,879,221	100%	€ 109,680,708	100%

Glossary

AOX Sum of organic halogen compounds in water that can be adsorbed by activated carbon under standardized conditions.

capacitive sensor A capacitive sensor detects anything that is conductive or has a dielectric different from that of air. Capacitive sensors replace mechanical buttons.

chemistry-free (printing plate) A printing plate that does not require chemical processing after imaging.

CO_2 Carbon dioxide, generated by combustion of fuel.

COD Chemical oxygen demand, the amount of oxygen needed for chemical oxidation of constituents of water.

computed radiography (CR) The technology of making X-ray images with conventional X-ray equipment but whereby the images are captured on reusable image plates, instead of X-ray film. The information on the plates is read by a digitizer and provides a digital image. Dedicated image processing software (such as Agfa's MUSICA) can be used to automatically maximize the quality of the images for diagnostic purposes. The digital images can also be completed with manual inputs (annotations, measurements, etc.) and are ready for archiving on a Picture Archiving and Communication System. *see also direct radiography*

computer-to-plate (CtP) A process whereby the pages or artwork of printed matter – e.g. the pages of newspapers or magazines – are digitally imaged onto printing plates directly from computer files without the intermediate step of film.

conductive ink Conductive inks are typically used for printed electronics applications such as: printed busbars and conductors in membrane keyboards and switches, RFID antennas, touch screen panels, ... Agfa's ORGACON nano-silver inks feature very high conductivity with a low silver deposition and support high-resolution patterning. ORGACON advantages are: patterning of micro-grid electrodes by screen-printing, high-conductive traces at low thickness and width, formability and flexibility.

CT (computed tomography) A CT scanner uses a series of X-rays to create image 'slices' of the body. Agfa's product portfolio does not include CT scanners, but its Picture Archiving and Communication Systems (PACS) are used for the management and the (3D) visualization of the digital images. Agfa's hardcopy printers are used to produce high quality prints of the images.

CtP *see computer-to-plate*

digital radiography A form of X-ray imaging, where digital technology is used instead of traditional photographic X-ray film. The most commonly used digital radiography technologies are computed radiography and direct radiography.

direct radiography (DR)	Radiographic technology that converts X-ray energy into digital data without the use of intermediate image capturing plates or films. These digital data generate a diagnostic image on a PC. As the data are digital, a wide range of possibilities is available for image optimization or completion as well as for archiving the images on Picture Archiving and Communication Systems. DR systems are mostly used in centralized radiology environments. *see also computed radiography*
Electronic Health Record	An Electronic Health Record is created when a person's Electronic Patient Record is linked to his/her non-medical electronic files from organizations such as governments and insurance companies.
Enterprise Imaging	Agfa HealthCare's Enterprise Imaging platform unites departmental PACS, RIS, advanced 3D functionalities, voice recognition, vendor-neutral archiving, viewer and mobile functionalities. The solution enhances and speeds up image acquisition and retrieval, optimizes system efficiency and performance, enhances patient care, and allows true collaboration across departments, hospitals or regions.
flexo(graphic) printing	Method of printing using flexible, rubber or synthetic printing plates attached to rollers. The inked image is transferred from the plate directly to the paper, or other substrate.
hardcopy	A hardcopy is the printed version of a digital image. Agfa's hardcopy printers are used for printing medical images from various sources: CT scans, MRI scans, computed radiography (CR), direct radiography (DR), etc.
image processing software	These software applications analyze medical digital images and automatically apply image enhancement techniques to better visualize all details. They improve the workflow in the radiography department and allow the radiologist to work faster and more accurately. Agfa's MUSICA software is generally accepted as a standard in the market.
inkjet (system)	Any printer that transfers extremely small droplets of ink onto paper to create an image, from small models for office use over medium models – e.g. for poster printing – to larger equipment for industrial applications.
membrane	Thin, flexible layer or material designed to separate components of a solution.
membrane switch	A membrane switch is an electrical switch for turning a circuit on and off. Membrane switches are user-equipment interface utilities which can be as simple as a tactile switch for controlling lightning, or as complex as membrane keyboards and switch panels for computers.
modalities	In this report this term is used for the various imaging systems, including radiography equipment, MRI scanners and CT scanners. These systems can all be connected to an Agfa HealthCare Picture Archiving and Communication System (PACS).
MRI (Magnetic Resonance Imaging)	The MRI scanner uses very strong magnetic fields and creates images by pulsing radio waves that are directed at the parts of the body to be examined. Agfa's product portfolio does not include MRI scanners but its Picture Archiving and Communication Systems (PACS) are used for the management and visualization of the digital images. Agfa's hardcopy printers are used to produce high-quality prints of the images.
N	Nitrogen.
non-destructive testing	To check the structure and tolerance of materials without damaging or deforming them.
NO_x	Nitrogen oxide, generated for example as a result of combustion with air.
offset printing	Printing technique where thin aluminum printing plates are wrapped and fixed round a cylinder on a (litho) printing press. While rotating, the printing plates obtain ink and water. The ink adheres to the image whilst the water prevents ink adhering to the non-printing areas. The inked image is transferred onto a rubber blanket attached to a second cylinder and then transferred from the blanket to the paper or another medium.

OHSAS 18001 International standard for health and safety management systems (OHSAS stands for Occupational Health and Safety Assessment System).

P Phosphor.

PACS *see Picture Archiving and Communication System*

PET (polyethylene terephthalate or polyester) Polyethylene terephthalate or polyester is a chemical prepared with a base of ethylene glycol and terephtalic acid. It is the basic raw material for the substrate of photographic film; it is coated with different types of purpose specific chemical layers, such as for medical and graphic purposes.

Picture Archiving and Communication System (PACS) PACS was originally developed to efficiently manage the distribution and archiving of diagnostic images produced by radiology departments. Due to specific software developments, Agfa HealthCare's systems are also suitable for use by other departments in the hospital, such as cardiology, orthopedics and women's care. Extensive PACS systems are also used to connect all hospital departments that intensively use clinical images on one network. Agfa's MUSICA software is used to process and optimize the images on the PACS system.

platesetter A platesetter digitally images the pages or artwork of printed matter from the computer onto printing plates, which are then processed and mounted on a printing press.

polymer A polymer is a large molecule composed of many smaller units (monomers) joined together. Polymers can be natural (e.g. proteins and rubber) or manmade (e.g. plastics and nylon). Conductive polymers conduct electricity. ORGACON is the trade name for Agfa's conductive polymer product line.

prepress The preparation and processing of content and document files for final output to printing plates, including high-resolution scanning of images, color separation, different types of proofs, etc.

printed circuit board (PCB) A thin plate on which chips and other electronic components are placed. Computers consist, principally, of one or more boards.

printing plate (for computer-to-plate) Printing plates consist of a high-quality grained and anodized aluminum substrate and a (silver or photopolymer) coating. The lasers used to expose these plates typically operate on thermal energy or visible light. The coatings respond to the laser energy creating chemical/physical changes to the plate surface. CtP plates are chemically processed to create a press-ready plate, though some CtP plate technologies are process-free.

RFID antenna RFID stands for radio-frequency identification. It is the use of radio signals to transfer data from a tag attached to an object or embedded in an ID card, for the purposes of automatic identification. The system does not require physical contact between the tag and the identification device as the data are transmitted via an antenna, which is also embedded in e.g. the ID card.

UV LED ink UV LED (curable) inks consist mainly of acrylic monomers. After printing, the ink is transformed into a hard polymerized film by a high dose of UV LED light. UV LED stands for UltraViolet Light Emitting Diode. The advantage of UV LED curable inks is that they dry instantly, can print on a wide range of uncoated substrates and make a very robust image. The ink does not contain hazardous components such as Volatile Organic Compounds (VOC) or solvents and does not evaporate.

VIC Volatile inorganic compounds.

VOC Volatile organic compounds.

wide-format (printer) A wide-format printer – sometimes also referred to as a large format printer – is a digital printer that prints on sheets or rolls 24-inches/60 cm wide or more.

workflow software Software that allows operators to control the prepress process with a software interface. It also streamlines the flow of work by automating individual steps in the process – thus saving time and reducing costs.


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CONSOLIDATED STATEMENT OF PROFIT OR LOSS 2018-2022

MILLION EURO	2018	2019 Re-presented	2020	2021	2022
Revenue	**2,191**	**1,975**	**1,709**	**1,760**	**1,857**
Cost of sales	(1,489)	(1,387)	(1,215)	(1,263)	(1,329)
Gross profit	**701**	**589**	**494**	**497**	**528**
Selling expenses	(306)	(271)	(223)	(231)	(249)
Administrative expenses	(172)	(157)	(144)	(155)	(182)
Research and development expenses	(141)	(103)	(95)	(95)	(101)
Net impairment loss on trade and other receivables, including contract assets	(5)	(5)	(2)	(2)	(1)
Other operating income	56	41	39	41	27
Other operating expenses	(73)	(127)	(122)	(47)	(182)
Results from operating activities	**62**	**(34)**	**(52)**	**9**	**(160)**
Interest income (expense) - net	**(8)**	**(8)**	**(4)**	**(1)**	**-**
Other finance income (expense) - net	**(31)**	**(28)**	**(26)**	**(6)**	**(20)**
Net finance costs	**(39)**	**(36)**	**(31)**	**(8)**	**(19)**
Share of profit of associates - net of tax	(1)	-	-	-	(1)
Profit (loss) before income taxes	**22**	**(70)**	**(83)**	**1**	**(181)**
Income tax expense	(34)	(14)	(15)	(15)	(42)
Profit (loss) from continuing operations	**(12)**	**(84)**	**(98)**	**(14)**	**(223)**
Profit (loss) from discontinued operations - net of tax	**(3)**	**36**	**719**	**-**	**-**
Profit (loss) for the period	**(15)**	**(48)**	**621**	**(14)**	**(223)**
Profit (loss) attributable to:					
Owners of the Company	(24)	(53)	613	(17)	(221)
Non-controlling interests	9	5	7	4	(2)
Earnings per share (Euro)					
Basic earnings per share (Euro)	(0.14)	(0.32)	3.66	(0.11)	(1.41)
Diluted earnings per share (Euro)	(0.14)	(0.32)	3.66	(0.11)	(1.41)

During 2018, the Group has consistently applied its accounting policies used in previous years, except for the presentation of the statement of profit or loss and comprehensive income that has changed resulting from the application of the new IFRS standard IFRS 9 'Financial Instruments'. According to this new standard the impairment losses on trade and other receivables are now shown on the face of the statement of profit or loss. The Group has initially applied IFRS 16 at January 1, 2019, using the modified retrospective approach. Under this approach, comparative information is not restated. There has been no impact to retained earnings of initially applying IFRS 16 at the date of initial application.
Compliant with IFRS 5.33, the Company has disclosed in its Consolidated Statements of Profit or Loss and Comprehensive Income, a single amount comprising the total of the post-tax profit of discontinued operations and the post-tax gain on the disposal of the net assets constituting the discontinued operation. The Group has sold its reseller business in the US (July 2019) and part of Agfa HealthCare's IT business (May 2020). Therefore, the Company has re-presented these disclosures for prior periods presented being FY 2019.

This footnote refers to the table Consolidated Statement of Financial Position 2018-2022 on p. 317.
During 2018, the Group has consistently applied its accounting policies used in previous year, except for the presentation of the balance sheet that has changed resulting from the application of the new IFRS standard 15 'Revenue from Contracts with Customers'. The Group has adopted IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of initial application, i.e. January 1, 2018. As a result, the Group will not apply the requirements of IFRS 15 to the comparative period presented.
The new standard has introduced the concept of contract assets and contract liabilities. At December 31, 2017, these assets and liabilities were included in other captions of the balance sheet. At January 1, 2018, recognized not billed revenue amounting to 84 million Euro, previously comprised in trade receivables, has been reclassified to contract assets. Reclassifications from inventory to contract assets amounted to 11 million Euro and mainly comprised work in progress. The reclassification from other assets to contract assets amounted to 10 million Euro and related to contracts with a third party that provides supporting services enabling the Group to deliver maintenance services to the customers.
On the liability side, contract liabilities at January 1, 2018, comprised 'Deferred revenue and advance payments received from customers' amounting to 128 million Euro, previously presented separately on the face of the balance sheet and bonuses and rebates related to goods and service purchased by customers during the period. The latter amounted to 17 million Euro and was previously presented as part of trade-related provisions.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 2018-2022

MILLION EURO	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022
ASSETS					
Non-current assets	**1,019**	**1,060**	**714**	**756**	**602**
Intangible assets and goodwill	615	566	284	293	247
Property, plant and equipment	174	142	127	129	107
Right-of-use assets	-	110	78	68	45
Investments in associates	4	4	-	1	1
Other financial assets	9	8	7	8	5
Assets related to post-employment benefits	-	-	-	40	18
Trade receivables	16	21	15	12	9
Receivables under finance lease	62	62	68	70	72
Other assets	24	24	16	11	8
Deferred tax assets	114	125	120	124	91
Current assets	**1,348**	**1,234**	**1,490**	**1,339**	**1,153**
Inventories	498	436	389	418	487
Trade receivables	420	408	297	307	291
Contract assets	105	100	64	76	94
Current income tax assets	71	75	63	63	56
Other tax receivables	25	25	15	19	28
Other financial assets	-	-	9	2	1
Receivables under finance lease	30	34	29	30	31
Other receivables	14	15	9	4	6
Other current assets	34	21	18	18	17
Derivative financial instruments	1	1	9	1	3
Cash and cash equivalents	141	107	585	398	138
Non-current assets held for sale	10	10	4	3	2
TOTAL ASSETS	**2,367**	**2,294**	**2,204**	**2,095**	**1,756**
EQUITY AND LIABILITIES					
Total equity	**290**	**130**	**620**	**685**	**561**
Equity attributable to owners of the Company	**252**	**83**	**570**	**632**	**520**
Share capital	187	187	187	187	187
Share premium	210	210	210	210	210
Retained earnings	854	803	1,412	1,284	1,042
Other reserves	(93)	(84)	(76)	(1)	(3)
Translation reserve	(9)	(5)	(42)	(15)	(9)
Post-employment benefits: remeasurement of the net defined benfit liability	(897)	(1,028)	(1,122)	(1,033)	(908)
Non-controlling interests	**38**	**47**	**51**	**54**	**41**
Non-current liabilities	**1,336**	**1,402**	**1,046**	**812**	**610**
Liabilities for post-employment and long-term termination benefit plans	1,066	1,137	956	735	536
Other employee benefits	13	12	13	11	9
Loans and borrowings	219	225	54	46	41
Provisions	9	5	16	12	14
Deferred tax liabilities	22	19	4	6	9
Trade payables	2	2	-	-	-
Contract liabilities	3	1	2	1	-
Other non-current liabilities	2	1	1	-	-
Current liabilities	**740**	**761**	**538**	**597**	**585**
Loans and borrowings	66	101	29	27	25
Provisions	52	45	63	42	36
Trade payables	217	232	198	252	249
Contract liabilities	163	151	103	111	109
Current income tax liabilities	47	49	23	28	29
Other tax liabilities	27	38	24	28	32
Other payables	17	9	8	9	6
Employee benefits	134	130	88	99	95
Other current liabilities	4	1	1	-	-
Derivative financial instruments	13	5	2	2	2
TOTAL EQUITY AND LIABILITIES	**2,367**	**2,294**	**2,204**	**2,095**	**1,756**

CONSOLIDATED STATEMENT OF CASH FLOWS 2018-2022

MILLION EURO	2018	2019	2020	2021	2022
Profit (loss) for the period	(15)	**(48)**	**621**	**(14)**	**(223)**
Income taxes	34	28	8	15	42
Share of (profits)/loss of associates, net of tax	1	1	-	-	1
Net finance costs	39	38	31	8	19
Operating result	59	**19**	**660**	**9**	**(160)**
Depreciation, amortization and impairment losses	60	**171**	**70**	**63**	**177**
Other non-cash expenses	168	**159**	**(526)**	**114**	**150**
Change in inventories	(57)	50	25	(48)	(65)
Change in trade receivables	(8)	4	50	6	25
Change in contract assets	4	7	(10)	(8)	(14)
Change in trade working capital assets	(61)	**62**	**64**	**(50)**	**(55)**
Change in trade payables	(4)	19	2	38	(7)
Change in contract liabilities	25	(13)	23	3	(8)
Changes in trade working capital liabilities	21	**6**	**25**	**41**	**(15)**
Changes in trade working capital	(40)	**68**	**89**	**(10)**	**(69)**
Cash out for employee benefits	(209)	(226)	(403)	(273)	(149)
Cash out for provisions	(25)	(36)	(37)	(39)	(27)
Changes in lease portfolio	(11)	(9)	(3)	(1)	(2)
Changes in other working capital	(29)	18	15	17	4
Cash settled operating deriviatives	13	(16)	(3)	12	(9)
Cash generated from/(used in) operating activities	(14)	**147**	**(136)**	**(108)**	**(86)**
Income taxes paid	(30)	(24)	(17)	(8)	(15)
Net cash from / (used in) operating activities	(44)	**123**	**(153)**	**(116)**	**(100)**
Capital expenditure	(40)	(38)	(33)	(26)	(33)
Proceeds from sale of other investing activities	5	7	9	12	2
Acquisition of associates and subsidiaries, net of cash acquired	(25)	(16)	(1)	(1)	(49)
Disposal of discontinued operations, net of cash disposed of	-	16	915	-	(5)
Proceeds from other investment activities	-	1	-	9	-
Interests received	3	3	2	4	7
Net cash from / (used in) investing activities	(57)	**(28)**	**892**	**(2)**	**(76)**
Interests paid	(15)	(15)	(7)	(4)	(5)
Dividends paid to non-controlling interests	(3)	-	-	(5)	(11)
Purchase of treasury shares	-	-	-	(29)	(21)
Proceeds from borrowings	227	127	59	2	3
Repayment of borrowings	(34)	(201)	(259)	(3)	(4)
Payment of finance leases	(1)	(42)	(34)	(29)	(30)
Proceeds/(payment) of derivatives	(1)	3	(9)	(2)	(9)
Other financing income/(costs) received/paid	-	(3)	-	4	1
Net cash from (used in) financing activities	175	**(131)**	**(249)**	**(67)**	**(77)**
Net increase / (decrease) in cash & cash equivalents	74	**(36)**	**490**	**(185)**	**(253)**
Cash & cash equivalents at the start of the period	67	**136**	**99**	**585**	**398**
Net increase/(decrease) in cash & cash equivalents	74	(36)	490	(185)	(253)
Gain/losses (in marketable securities)	-	-	(1)	(1)	-
Effect of exchange rate fluctuations on cash held	(5)	(1)	(3)	(1)	(7)
Cash & cash equivalents at the end of the period	136	**99**	**585**	**398**	**138**

Shareholder Information

Listing	BRUSSELS STOCK EXCHANGE
Reuters Ticker	AGFAt.BR
Bloomberg Ticker	AGFB: BB/AGE GR
Datastream	B:AGF

Share Information	
First day of listing	June 1, 1999
Number of shares issued on December 31, 2022	154,820,528
Own shares on December 31, 2022	0
Number of outstanding ordinary shares with voting rights on December 31, 2022	154,820,528
Market capitalization on December 31, 2022	413 million Euro

Shareholder structure (March 27, 2023)

According to the information available to the Company by virtue of the transparency declarations received in accordance with the relevant legal and statutory stipulations, the main shareholders on date of this Annual Report are the following:

- **Active Ownership Capital S.à r.l.** with between 15% and 20% of the outstanding stock as from December 30, 2022;
- **Axxion S.A.** with between 5% and 10% of the outstanding stock as from July 2, 2021;
- **LLB Fund Services AG** with between 3% and 5% of the outstanding stock as from July 1, 2020;
- **Dimensional Fund Advisors LP** with between 3 and 5% of the outstanding stock as from June 2, 2022;
- **Sheffield Asset Management L.L.C.** with between 3 and 5% of the outstanding stock as from August 24, 2022.

Euro	2018	2019	2020	2021	**2022**
Earnings per share	(0.14)	(0.32)	3.66	(0.11)	(1.41)
Net operating cash flow per share	(0.26)	0.88	(0.81)	(0.65)	(0.55)
Gross dividend	-	-	-	-	-
Year end price	3.33	4.62	3.90	3.79	2.67
Year's high	4.34	4.86	4.83	4.55	4.13
Year's low	2.91	3.21	2.90	3.49	2.65
Average volume of shares traded/day	425,481	281,280	272,995	204,607	173,097
Weighted average number of ordinary shares	167,751,190	167,751,190	167,751,190	165,003,570	156,236,319

Shareholder queries

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Financial calendar 2023	
Annual General Meeting	May 9, 2023
First quarter 2023 results	May 9, 2023
Second quarter 2023 results	August 23, 2023
Third quarter 2023 results	November 15, 2023

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