

**Special report of the Board of Directors of 19 April 2021**  
**pursuant to article 7:197**  
**of the Code of companies and associations**  
**on the contribution in kind in the context of an optional dividend**

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**Introduction**

The board of directors of Barco NV (the 'Company') has decided to propose to the general meeting of shareholders that a gross dividend of € 0,378 per share (net € 0,2646 after deduction of 30% withholding tax) be paid for the financial year 2020.

The board of directors wishes to offer the shareholders the possibility, instead of receiving the dividend in cash, to contribute their receivable arising out of the decision to pay a dividend (after deduction of 30% withholding tax) into the capital of the Company against the issuance of new shares of the Company.

This special report is drawn up in accordance with Article 7:197 of the Code of companies and associations (the 'CCA') and relates to the increase of the capital of the Company (in the context of the authorized capital) by means of a contribution in kind of the net dividend receivable.

In accordance with article 7:197 of the CCA, the Company's auditor has drawn up a report on the contribution in kind, which has been attached to this report.

**General description of the operation**

Subject to the condition precedent of the approval of (i) the mandate for authorized capital by the extraordinary general meeting of 29 April 2021, and (ii) the proposed dividend distribution by the ordinary general meeting, the Board of Directors wishes to give the dividend for the financial year ended 31 December 2020 an optional character and to offer the shareholder the choice between:-

- contributing his net dividend receivable on the Company in exchange for new shares;
- payment of the dividend in cash; or
- a combination of both of the aforementioned possibilities.

Shareholders who have not communicated a choice during the selection period in the manner determined by the Company will receive the dividend in cash.

Shareholders who wish to contribute their dividend rights (in whole or in part) to the capital of the Company against the issuance of new shares will have to contribute dividend rights for an amount equal to the (described below) issue price (or a multiple thereof).

Shareholders who do not have a sufficient number of dividend rights to subscribe to a new share of the Company will be paid their dividend rights in cash.

The dividend right will not be listed and traded separately on the stock exchange. It is therefore not possible to acquire additional dividend rights through the stock exchange from the ex-dividend date. Nor is it possible to fulfil the contribution of dividend rights by a cash contribution.

If shareholders own both dematerialized and registered shares, the dividend rights associated with different forms of shares cannot be combined to acquire a new share.

## Issue price

The issue price of the newly created shares will be calculated on the basis of the formula described below on the basis of a reference price, being the VWAP (volume-weighted average) share price of the Barco share during a reference period, less the amount of the gross dividend, whereby a discount as closely as possible to 6 % is applied, rounded to the lowest even multiplier of the net dividend of € 0,2646.

The issue price is therefore calculated as follows:

$[(\text{volume-weighted average of the traded share prices during the reference period}) - \text{gross dividend 2020}] * 6 \%$ , rounded to the lowest even multiplier of the net dividend of € 0,2646.

- a) VWAP (volume weighted average) share price  
The volume-based weighted average price of the Barco share used is the weighted average of the share prices traded for the period from 23 to 28 April 2021.
- b) Gross dividend for the financial year 2020  
The gross dividend for 2020, as proposed at the general meeting of 29 April 2021, amounts to € 0,378 per share.
- c) Result  
The VWAP share price – 0,378, whereby a discount as closely as possible to 6 % is applied, rounded to the lowest even multiplier of the net dividend of € 0,2646.

The number of dividend rights to be contributed in exchange for a new share to be issued on the basis of the above calculation and the resulting issue price, assuming a full conversion in shares, results in the maximum number of newly issued shares and maximum new total number of shares listed below.

In the last column, the dilution is represented by deducting that maximum number of new shares compared to the new maximum total number of shares:

Dividend rights	Issue price	Maximum new shares to be issued	Maximum total number of shares	Ratio of new shares vs. total number of shares
67	17,73	1.318.319	92.805.757	1,4205%
68	17,99	1.298.932	92.786.370	1,3999%
69	18,26	1.280.107	92.767.545	1,3799%
70	18,52	1.261.820	92.749.258	1,3605%

If the closing price on 28 April 2021 deviates substantially from the reference price (whereby the discount would be inappropriately high or low), the Board of Directors reserves the right to determine the number of dividend rights that must be contributed for a newly issued share.

The shareholder who does not contribute dividend rights in exchange for new shares will potentially undergo a dilution of the financial rights (including dividend rights and participation in the liquidation balance) and membership rights (e.g. voting rights and preferential rights) associated with his participation.

## Capital

Subject to the approval of the mandate for authorized capital by the extraordinary general meeting, the Board of Directors will have the power to increase the share capital by an amount that may be limited to thirty (30)% capital. A maximum of ten percent (10%) can hereby be used for capital increases with the abolition of the preferential right of existing shareholders or for contributions in kind for purposes other than the reimbursement of an optional dividend.

In the context of this authorized capital, the Board of Directors wishes to increase the capital by way of a contribution in kind of the dividend receivables of the shareholders who bring in dividend rights in exchange for new shares subject to approval of the result allocation and the dividend amount by the general meeting.

The option period will start on Wednesday 12 May and will end on Friday 4 June 2021. On Wednesday 9 June 2021, the implementation of the capital increase and the issue of the new shares will be determined before the notary. The Company will take the necessary steps to submit the application for additional listing of the shares that will arise as a result of this optional dividend. The new shares are

expected to be traded on Euronext Brussels following the issue of the new shares on or around Tuesday Wednesday 9 June 2021.

For shareholders benefiting from withholding tax exemption, the contribution of the dividend receivable, as for shareholders who do not benefit from such exemption, will be equal to the amount of the net dividend, notably € 0,2646 per share. The balance will be paid out in cash.

The number of newly issued shares cannot yet be determined at the date of this report as it is not yet known how many shareholders will decide to introduce their dividend rights. Depending on this, the maximum number of new shares will be set as well as the maximum amount of the capital increase, which will be equal to the maximum number of new shares multiplied by the fractional value of the existing shares (in particular 0,61079192 per share). The difference between the fractional value and the issue price will be recorded as an issue premium on an unavailable reserve that, like the capital, will constitute the guarantee of third parties and cannot be reduced or lifted unless by a decision of the general meeting, resolving pursuant to the conditions for an amendment to the articles of association.

The shares will be of the same type as the existing shares, will not enjoy any right to reduced withholding tax and will share in the result from 1 January 2021.

### **Importance of the contribution in kind and the proposed capital increase for the Company**

The contribution in kind of dividend receivables in the context of the optional dividend and the capital increase resulting therefrom improves the Company's own funds.

To the extent that shareholders contribute their dividend claims against the issue of new shares, the application of the optional dividend leads to a reduction in the cash-out as a result of the result destination. The funds not distributed in cash will be used by the Company to finance the growth of the Company.

Finally, the ties between the Company and its shareholders are strengthened. By opting for the optional dividend, the shareholder not only expresses his support for the Company's future plans but can also increase his share position at an advantageous price (compared to the average share price of the reference period) without transaction costs.

### **Valuation of the contribution in kind**

As explained above, the contributions involved are the contribution of dividend receivables from shareholders linked to Barco NV shares. The amount of each receivable is limited to 0,2646 € per dividend right contributed. As these are claims representing a net dividend for the financial year ended 31 December 2020, the value to be taken into account, in accordance with generally accepted valuation methods, is equal to the nominal amount of the claim, in particular € 0,2646. This valuation method is considered adequate in the case of an optional dividend.

This report should be read together with the Auditor's report in accordance with Article 7:197 of the CCA. The Board of Directors does not deviate from the conclusions of the Auditor's report in this regard.

### **Information memorandum**

In principle, in the context of a public offering of shares on the Belgian territory, and for the admission of those shares to trading on a Belgian regulated market, a prospectus must be published, pursuant to Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on the regulated market and repealing Directive 2003/71/EC ("Prospectus Regulation"). However, there is an exception to this in the context of the optional dividend. Pursuant to Articles 1(4) (h) and 1.5 (g) of the Prospectus Regulation, a document shall be made available to the public on 29 April 2021 containing information on the number and nature of the shares and the reasons for and modalities of the offer and admission to the trading (the "Information Note").

### **Suspension or cancellation of the operation**

The Board of Directors reserves the right to suspend or cancel the operation if (i) between the date of the current decision of the Board of Directors and the start date of the option period, the share price on Euronext Brussels increases or decreases significantly compared to the issue price determined above, or (ii) at any time before the end of the option period, an extraordinary event of a political, military, economic, medical or social nature occurs which materially distorts or could disturb the economy

and/or securities markets.

Annex : Auditor's report

Kortrijk, 19 April 2021

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Charles Beauduin  
Chairman

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Jan De Witte  
Director

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Mrs. An Steegen  
Director

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Mr. Frank Donck  
Director

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Mrs. Hilde Laga  
Director

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Adisys Corporation  
permantly represented by  
Mr. Ashok Jain  
Director