CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2023

The condensed interim financial statements as of June 30, 2023 as well as the related explanatory notes have not been subject to a review of KPMG Bedrijfsrevisoren.

1.1 Condensed consolidated statement of financial position

in million Euro	Note	June 30, 2023	December 31, 2022
ASSETS			
Non-current assets		**575**	**602**
Goodwill	10	218	218
Intangible assets		25	29
Property, plant and equipment		111	107
Right-of-use assets		41	45
Investments in associates		1	1
Other financial assets	18	4	5
Assets related to post-employment benefits	12	19	18
Trade receivables	18	3	9
Contract assets		-	
Receivables under finance lease	18	73	72
Other assets		5	8
Deferred tax assets		74	91
Current assets		**809**	**1,153**
Inventories		353	487
Trade receivables	18	158	291
Contract assets		98	94
Current income tax assets		47	56
Other tax receivables		25	28
Financial assets		0	1
Receivables under finance lease		20	31
Other receivables	18	43	6
Other assets		16	17
Derivative financial instruments	18	2	3
Cash and cash equivalents	18	44	138
Non-current assets held for sale		2	2
Total assets		**1,383**	**1,756**
Equity		**434**	**561**
Equity attributable to owners of the Company		***433***	***520***
Share capital		187	187
Share premium		210	210
Retained earnings		971	1,042
Other reserves		(1)	(3)
Translation reserve		(16)	(9)
Post-employment benefits: remeasurements of the net defined benefit liability		(919)	(908)
Non-controlling interests		***2***	***41***

The notes on pages 9 to 27 are integral part of these consolidated condensed interim financial statements.

Condensed consolidated statement of financial position (continued)

in million Euro	Note	June 30, 2023	December 31, 2022
Non-current liabilities		**534**	**610**
Liabilities for post-employment and long-term termination benefit plans	12	476	536
Other employee benefits		6	9
Loans and borrowings	18	29	41
Provisions		11	14
Deferred tax liabilities		8	9
Trade payables	18	3	0
Other liabilities		1	0
Current liabilities		**415**	**585**
Loans and borrowings	18	49	25
Provisions		20	36
Trade payables	18	124	249
Contract Liabilities		104	109
Current income tax liabilities		19	29
Other tax liabilities		20	32
Other payables	18	6	6
Employee benefits		69	95
Other liabilities		3	0
Derivative financial instruments	18	1	2
Total equity and liabilities		**1,383**	**1,756**

The notes on pages 9 to 29 are integral part of these consolidated condensed interim financial statements

1.2 Condensed consolidated statement of profit or loss and condensed consolidated statement of comprehensive income

Condensed consolidated statement of profit or loss

in million Euro	Note	6 months ending June 30, 2023 (1)	6 months ending June 30, 2022 (1)
CONTINUED OPERATIONS			
Revenue	**13**	**557**	**539**
Cost of sales		(384)	(372)
Gross profit		**173**	**167**
Selling expenses		(86)	(88)
Research and development expenses		(39)	(39)
Administrative expenses		(71)	(77)
Net impairment loss on trade and other receivables, including contract assets		1	-
Other operating income	7	26	33
Other operating expenses	7	(20)	(16)
Result from operating activities	**6**	**(16)**	**(20)**
Interest income (expense) – net		*1*	*(1)*
Interest income	14	6	1
Interest expense	14	(5)	(1)
Other finance income (expense) – net		*(13)*	*(8)*
Other finance income	14	2	5
Other finance expense	14	(15)	(13)
Net finance costs		**(12)**	**(9)**
Profit (loss) before income tax	**9**	**(28)**	**(28)**
Income tax expense		(9)	(4)
Profit (loss) from continuing operations		**(37)**	**(32)**
DISCONTINUED OPERATIONS (1)			
Profit (loss) from discontinued operations, net of tax	**8**	**(43)**	**12**
Profit (loss) for the period		**(81)**	**(20)**
Profit (loss) attributable to:			
Owners of the Company		(82)	(21)
Non-controlling interests		1	1
Earnings Per Share (euro)		(0.53)	(0,13)
Basic earnings per share (Euro) continuing operations		(0.24)	(0.20)
Basis earnings per share (Euro) discontinued operations		(0.29)	(0.08)

(1) Compliant with IFRS 5.33, the Company has presented in its condensed 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 loss on the disposal of the net assets constituting the discontinued operations. The Group has sold its Offset business in April 2023. Comparative information has been re-presented.

The notes on pages 9 to 29 are integral part of these consolidated condensed interim financial statements

Condensed consolidated statement of comprehensive income

The condensed consolidated statement of comprehensive income for the current interim period (second quarter ending June 30, 2023) with comparative statements of comprehensive income for the comparable interim period for the immediately preceding year, as required by IAS34.20, has been included in addendum.

in million Euro	6 months ending June 30, 2023 (1)	6 months ending June 30, 2022 (1)
Profit (loss) for the period	**(81)**	**(20)**
Profit (loss) from continuing operations	*(37)*	*(32)*
Profit (loss) from discontinued operations, net of tax	*(43)*	*12*
Other comprehensive income, net of tax		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences:	*(6)*	*32*
Exchange differences on translation of foreign operations	(4)	32
Release of exchange differences of discontinued operations to profit or loss	(2)	-
Cash flow hedges:	*2*	*(2)*
Effective portion of changes in fair value of cash flow hedges	1	(4)
Change in fair value of cash flow hedges reclassified to profit or loss	2	2
Adjustment for amounts transferred to initial carrying amount of hedged item	-	-
Income taxes	-	-
Items that will not be reclassified subsequently to profit or loss:		
Equity investments at fair value through OCI – change in fair value	-	(2)
Remeasurements of the net defined benefit liability	-	130
Income taxes on remeasurement of the net defined benefit liability	-	(11)
Total other comprehensive income for the period, net of tax:	**(4)**	**147**
Total other comprehensive income for the period from continuing operations	*(3)*	*122*
Total other comprehensive income for the period from discontinuing operations	*(1)*	*26*
Total comprehensive income	**(86)**	**127**
attributable to:		
Owners of the Company	(87)	125
Non-controlling interests	2	2
Total comprehensive income for the period from continuing operations	**(40)**	**90**
attributable to:		
Owners of the Company (continuing operations)	(40)	90
Non-controlling interests (continuing operations)	-	-
Total comprehensive income for the period from discontinuing operations	**(44)**	**38**
attributable to:		
Owners of the Company (discontinuing operations)	(46)	35
Non-controlling interests (discontinuing operations)	2	2

(1) Compliant with IFRS 5.33, the Company has presented in its condensed 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 loss on the disposal of the net assets constituting the discontinued operations. The Group has sold its Offset business in April 2023. Comparative information has been re-presented.

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1.3 Condensed consolidated statement of cash flows

In million Euro	Note	6 months ending June 30, 2023	6 months ending June 30, 2022
Profit (loss) for the period		**(81)**	**(20)**
Income taxes		12	7
Share of (profit)/loss of associates – net of tax		-	-
Net finance costs		13	9
Operating result		**(56)**	**(3)**
Adjustments for:			
Depreciation, amortization		13	17
Depreciation right-of-use assets		10	14
Impairment losses right-of-use assets		7	-
Exchange results and changes in fair value of derivatives		0	8
Recycling of hedge reserve		2	2
Government grants and subsidies		(2)	(2)
Result on disposal of discontinued operations	8	44	-
Expenses for defined benefit plans and long-term termination benefits		16	22
Accrued expenses for personnel commitments		30	30
Write-downs / reversal of write-downs on inventories		8	7
Impairment losses / reversal of impairment losses on receivables		(1)	-
Additions / reversals of provisions		1	4
Operating cash flow before changes in working capital		**70**	**97**
Changes in:			
Inventories		(34)	(102)
Trade receivables		(4)	14
Contract assets		(5)	(13)
Trade payables		(26)	(5)
Contract liabilities		11	14
Other working capital		(21)	(7)
Cash out for employee benefits		(73)	(87)
Cash out for provisions		(12)	(11)
Changes in lease portfolio		10	9
Cash settled operating derivatives		0	(3)
Cash generated from operating activities		**(83)**	**(95)**
Income taxes paid		(0)	(6)
Net cash from (used in) operating activities		**(83)**	**(101)**
of which related to discontinued operations		*(13)*	*(19)*

The notes on pages 9 to 29 are integral part of these consolidated condensed interim financial statements

Condensed consolidated statement of cash flows (continued)

in million Euro	Note	6 months ending June 30, 2023	6 months ending June 30, 2022
Capital expenditure		(14)	(13)
Proceeds from sale of intangible assets & PPE		1	1
Acquisition of subsidiary, net of cash acquired	15	3	(48)
Disposal of discontinued operations, net of cash disposed of	8	(5)	(2)
Acquisition of associates		(1)	0
Interest received		6	2
Dividends received		-	0
Net cash from (used in) investing activities		**(9)**	**(59)**
of which related to discontinued operations		*(5)*	*(2)*
Interests paid		(5)	(2)
Dividends paid		(9)	(5)
Purchase of treasury shares		-	(21)
Proceeds from borrowings	11	31	0
Repayment of borrowings	11	(1)	(1)
Payment of lease liabilities		(12)	(15)
Proceeds/(payments) of derivatives		(4)	(6)
Other financing income (costs) incurred		-	4
Net cash from (used in) financing activities		**0**	**(46)**
of which related to discontinued operations		*(2)*	*(4)*
Net increase (decrease) in cash and cash equivalents		**(92)**	**(206)**
Cash and cash equivalents at 1 January		**138**	**398**
Net increase (decrease) in cash and cash equivalents		(92)	(206)
Effect of exchange rate fluctuations on cash held		(2)	(1)
Gains / (losses) on marketable securities		-	(0)
Cash and cash equivalents at 30 June		**44**	**191**

The Group has elected to present a statement of cash flows that includes all cash flows, both continuing and discontinued operations.

1.4 Condensed consolidated statement of changes in equity

in million Euro	Attributable to owners of the Company										
	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, 2022	**187**	**210**	**1,284**	**-**	**2**	**(2)**	**(1.033)**	**(15)**	**632**	**54**	**685**
Comprehensive income for the period											
Profit (loss) for the period	-	-	(21)	-	-	-	-	-	(21)	1	(20)
Other comprehensive income net of tax	-	-	-	-	(2)	(2)	119	31	146	2	147
Total other comprehensive income for the period	**-**	**-**	**(21)**	**0**	**(2)**	**(2)**	**119**	**31**	**125**	**2**	**127**
Transactions with owners recorded directly in equity – changes in ownership											
Dividends	-	-	-	-	-	-	-	-	-	(5)	(5)
Purchase of own shares	-	-	-	(21)	-	-	-	-	(21)	-	(21)
Cancellation of own shares	-	-	(21)	21	-	-	-	-	-	-	-
Total of transactions with owners recorded directly in equity	-	-	**(21)**	-	-	-	**-**	-	(21)	(5)	(26)
Balance at June 30, 2022	**187**	**210**	**1,242**	**-**	**-**	(4)	**(914)**	**15**	**736**	**51**	**787**
Balance at January 1, 2023	**187**	**210**	**1,042**	**-**	**(1)**	**(2)**	**(908)**	**(9)**	**520**	**41**	**561**
Comprehensive income for the period											
Profit (loss) for the period	-	-	(82)	-	-	-	-	-	(82)	1	(81)
Other comprehensive income net of tax	-	-	-	-	-	2	-	(7)	(5)	1	(4)
Total other comprehensive income for the period	**-**	**-**	**(82)**	**-**	**-**	**2**	**-**	**(7)**	**(87)**	**2**	**(85)**
Transactions with owners recorded directly in equity											
Dividends	-	-	-	-	-	-	-	-	-	(9)	(9)
Transfer of amounts recognized in OCI to retained earnings following loss of control	-	-	11	-	-	-	(11)	-	-	-	-
Derecognition of NCI following loss of control	-	-	-	-	-	-	-	-	-	(32)	(32)
Total of transactions with owners recorded directly in equity	**-**	**-**	**11**	**-**	**-**	**-**	**(11)**	**-**	**-**	**(41)**	**(41)**
Balance at June 30, 2023	**187**	**210**	**971**	**-**	**(1)**	**-**	**(919)**	**(16)**	**433**	**2**	**434**

The notes on pages 9 to 29 are integral part of these consolidated condensed interim financial statements

Within the framework of the share buyback program which was announced in the press release of March 10, 2021, 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 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 June 30, 2023, the issued capital of the Group amounted to 187 million Euro represented by 154,820,528 fully paid shares. At June 30^{th} ,2022 and 2023, the Group does not hold any own shares.

1.5 Selected explanatory notes to the condensed consolidated interim financial statements as of June 30, 2023

1. Reporting entity

Agfa-Gevaert NV (the "Company") is a company domiciled in Belgium. The condensed interim financial statements of the Company as at and for the six months ended June 30, 2023 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates. The consolidated financial statements of the Group as at and for the year ended December 31, 2022 are available on the Company's website: www.agfa.com.

2. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union. They do not include all of the information required for the full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2022. These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 22, 2023.

3. Significant accounting policies

The Group has applied in these condensed consolidated interim financial statements the accounting policies and IFRS standards effective for the closing period June 2023. The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2022.

Following new standards or amendments to IFRS are effective as from January 1, 2023 but are either not material or do not have a material impact on the Group's financial statements for the first half year of 2023. It relates to

- IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)
- Amendments to IFRS 17 Insurance contracts: initial application of IFRS 17 and IFRS 9 – Comparative information (issued on 9 December 2021)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)

The Group did not early adopt standards issued but not yet effective.

4. Functional and presentation currency

The condensed consolidated interim 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. Due to the use of rounding, 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.

5. Critical accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from estimates.

In preparing the condensed consolidated interim financial statements, the judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2022.

6. Alternative performance measures

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 operating expenses.

During the first half year of 2023 restructuring costs amounted to 5 million Euro and mainly relate to employee termination costs. During the first half year of 2022 restructuring costs amounted to 6 million Euro and mainly relate to employee termination costs. These are comprised in other operating expenses (see note 7).

During the first half year of 2023, non-recurring costs amount to 15 million Euro and comprise Impairment losses on a right-of-use building in Germany amounting to 4 million Euro and costs related to strategic transformation projects of 10 million Euro. During the first half year of 2022, non-recurring costs amount to 13 million Euro and mainly relate to costs related to strategic transformation projects and other costs (stand-alone of Offset Solutions and changing the organizational structure into a lean structure).

Reconciliation of adjusted EBIT to results from operating activities

in million Euro	2023	2022
Adjusted EBITDA	**27**	**24**
Depreciation & amortization	(13)	(14)
Depreciation right-of-use assets (IFRS 16 impact)	(9)	(10)
Adjusted EBIT	**4**	**-**
Restructuring	(5)	(6)
Non-recurring	(15)	(13)
Results from operating activities	**(16)**	**(20)**

7. <u>Sundry other operating income and expense</u>

The following overview tables provide the content of the other operating income and expenses:

In million Euro	2023	2022
Gains on sale of property, plant & Equipment	-	-
Exchange gains and changes in fair value of derivatives	2	2
Finance lease income	3	3
Recharges of costs	20	26
Release of personnel accruals of last year	1	1
Total sundry other operating income	**26**	**33**

In million Euro	2023	2022
Restructuring expenses /(income)	5	6
Exchange losses and changes in fair value of derivatives	4	3
Provisions, bank charges, fees, long term disability charge and other	4	4
Housing expenses	2	2
Impairment losses on right-of-use assets	4	-
Total sundry other operating expense	**20**	**16**

Recharges of costs mainly relate to the segment CONOPS: 19 million Euro for the first half year 2023 and 23 million Euro for the comparative period in 2022. Further information is provided in section 8 'Divested activities'.

8. Divested activities

Divestments 2023

On April 4th 2023, the Agfa-Gevaert Group completed the sale of its Offset Solutions division to the investment firm Aurelius Group at a consideration of 49 million Euro. In the second quarter of 2023 an amount of 10 million Euro was received which brings the outstanding receivable to 39 million Euro which is presented in 'Other receivables' on the balance sheet.

The sale of our Offset Solutions division is an important step in the transformation journey of Agfa. This transaction will allow Agfa to focus on other growing market segments, which is crucial for future success.

Under the terms of the share purchase agreement with Aurelius Group, the Agfa-Gevaert Group continues to provide certain consumables (including film) and services to its former division. In the financial statements of the Group this is presented in a new division called 'Contractor Operations & Services former Offset' or 'CONOPS'. CONOPS represents the supply of film and chemicals as well as a set of support services delivered by Agfa to Offset Solutions.

As of April 2023, the segment CONOPS represents income charged to the external party ECO3 and the related costs. Revenue represents the supply agreements, with the corresponding 'Cost of sales'. The income related to the support services is presented in Other Income, the corresponding costs are shown in the different SG&A lines. The comparative results for 2022 and the data for the first quarter 2023 are re-presented to reflect the post Closing relationships between the Agfa-Gevaert and the Aurelius Group. Whereas revenue for the second quarter 2023 results from invoicing to the third party ECO3, the revenues re-presented for 2022 and the first quarter 2023 reflect the relationship with the 'Discontinued operations'.

In the condensed consolidated statement of profit or loss and other comprehensive income the impact of the discontinued operations is presented separately from the continuing operations.

The sale had the following effect on the Group's Financial statements:

Result of discontinued operations

In million Euro	6 months ending June 30, 2022	6 months ending June 30, 2023
Revenue	386	163
Cost of sales	(291)	(118)
Gross profit	**95**	**45**
Selling expenses	(35)	(16)
Research and development expenses	(10)	(5)
Administrative expenses	(16)	(8)
Other operating expenses	(17)	(13)
Result from operating activities	**16**	**3**
Interest income (expense) – net	-	-
Other finance income (expense) – net	(1)	-
Income tax expense	(3)	(3)
Profit (loss) from operating activities - net of tax	**12**	**-**
Loss on the sale of discontinued operations	-	(43)
Result from discontinued operations	**12**	**(43)**

Effect of disposal on the financial position of the Group

In million Euro	
ASSETS	
Trade receivables	142
Other assets	6
Deferred tax assets	12
Inventories	155
Current income tax assets	3
Other tax receivables	11
Financial assets	0
Other receivables	2
Other current assets	3
Cash and cash equivalents	5
of which cash and cash equivalents with 3rd parties	15
of which current accounts positions with Group entities outside the disposal Group	(10)
	339
Liabilities	
Liabilities for post-employment benefit plans	51
Lease liabilities	16
Loans and borrowings	4
Provisions	9
Deferred tax liabilities	0
Trade payables	95
Contract liabilities	16
Current income tax liabilities	8
Other tax liabilities	6
Other payables	(2)
Employee benefits	21
	224
Net assets disposal group	**115**
of which related to non-controlling interests	***(32)***
Total identified net assets divested	**(83)**
Cash and cash equivalents - current accounts receivable	10
Unsettled intercompany receivable - net	1
Intercompany positions (assets) of the Group against the disposal group, presented as part of 'Consideration receivable	***11***
Consideration receivable	**49**
Consideration received	10
Net cash disposed off	(15)
Cash inflow from disposal net of cash disposed of and net of directly attributable costs	***(5)***
Release of exchange differences (previously accumulated in translation reserve) of discontinued operations to profit or loss	**2**
Directly attributable costs	-
Loss on the sale of discontinued operations	**(43)**
Recognized in Q1 2023 through impairment of 'Net assets held for sale' of which 3 mio € related to right-of use assets	(47)
Recognized in Q2 2023	4
Impairment of assets and costs directly attributable to the transaction, recognized in 2022	*(46)*

The 2023 net cash flows attributable to the operating, investing and financing activities from discontinued operations is provided in the condensed statement of consolidated cash flows.

Divestments 2022

On April 7th 2022, Agfa and ATOS announced the conclusion of a major partnership according to which Atos accompanies Agfa in its digital transformation. Atos provides and manages a major part of Agfa's internal IT services and supports 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 benefits 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 implements first-class solutions, including mainframe services, hosting, workplace management, cloud solutions and network.

Atos' solutions also include a range of key application-related services and transformational projects aiming 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 over 7,000 employees of Agfa, Atos allows them to enjoy the highest level of employee experience in the sector and helps 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

in million Euro	2022
Liabilities for post-employment benefit plans	2
Provisions	1
Current employee benefits	2
Net liabilities divested	5
Consideration	(5)
Deferred purchase price	(3)
Cash outflow from disposal	**(2)**

9. Reportable segments

The activities of the Group are grouped into four divisions: HealthCare IT, Digital Print & Chemicals, Radiology Solutions and Contractor operations & services (CONOPS – former Offset Solutions). This divisional structure is technology and solutions based and will allow the business to seek future partnerships.

The recent sale of the Offset Solutions division (now rebranded to ECO3) influences the way the Agfa-Gevaert Group reports its results. A new division called 'Contractor Operations & Services former Offset' or 'CONOPS' has been created and presents the impact of the supply of film and chemicals as well as a set of support services delivered by Agfa to Offset Solutions. Further information is provided under section 8 'Divested activities'.

The Group's management has identified the above four divisions as its operating segments. They equal the Groups reportable segments. 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'.

For the six months ended

in million Euro	CONOPS (former Offset Solutions)		Digital Print & Chemicals		Radiology Solutions		HealthCare IT		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	32	36	200	177	205	214	119	112	557	539
Adjusted EBIT(*)	-	(7)	1	3	7	7	4	6	12	9
Segment result (**)	-	(9)	-	1	1	5	1	4	2	1

(*) Adjusted EBIT is the result from continuing operating activities before restructuring and non-recurring items. Restructuring expenses mainly relate to employee related termination costs, non-recurring items comprise results from the sale of land and buildings, past service costs related to defined benefit obligations, impairment losses and costs related to the transformation of the Agfa-Gevaert Group.

(**) Segment result is the profit from continuing operating activities allocated to a reportable segment

Reconciliation of profit or loss

For the six months ended

in million Euro	2023	2022
Segment result	2	1
Profit (loss) from operating activities not allocated to a reportable segment: mainly related to 'Corporate Services'	(18)	(21)
Results from operating activities	**(16)**	**(20)**
Other unallocated amounts:		
Interest income (expense) – net	1	(1)
Other finance income (expense) – net	(13)	(8)
Share of result of equity accounted investees	-	-
Consolidated profit (loss) before income taxes	**(28)**	**(28)**

Reconciliation of Adjusted EBIT

For the six months ended

in million Euro	2023	2022
Segment Adjusted EBIT	12	9
Adjusted EBIT from operating activities not allocated to a reportable segment: mainly related to 'Corporate Services'	(8)	(9)
Adjusted EBIT	**4**	**-**
Restructuring	(5)	(6)
Non-recurring	(15)	(13)
Results from operating activities	**(16)**	**(20)**

10. Impairment testing of goodwill and intangible assets with indefinite useful life

Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually and upon the occurrence of an indication of impairment. For the purpose of impairment testing, goodwill is allocated to a cash-generating unit (CGU). The Group has identified its operating segments as cash-generating units.

Following goodwill and intangible assets are allocated to the cash generated units at June 2023 and December 2022:

in million Euro	CONOPS (former Offset Solutions)		Digital Print & Chemicals		Radiology Solutions		HealthCare IT		Total	
	June 2023	Dec 2022	June 2023	Dec 2022	June 2023	Dec 2022	June 2023	Dec 2022	June 2023	Dec 2022
Goodwill	-	0	2	2	-	-	216	217	218	218
Intangible assets with indefinite useful life	-	-	-	-	-	-	-	-	-	-

At June 30, 2023 there are no indications for impairment of the goodwill. During the fourth quarter of 2023 – the timing Group's management has chosen to perform its annual impairment tests – formal impairment tests will be performed. In testing the goodwill for impairment, the carrying value of the assets of these CGU's will be compared with their recoverable amount. Recoverable amounts of the CGU's will generally be based upon a value in use calculation using the updated long-term business plans.

11. Proceeds / repayments from borrowings

Agfa-Gevaert NV has a three-year multi-currency revolving credit facility of 230 million Euro at its discretion. This facility is unsecured, runs until March 2026 and will be used for general corporate purposes. The applicable interest rate is Euribor, Libor or its equivalent replacement benchmark rate (Reuters) and a margin. At June 30, 2023 there were drawdowns under this facility amounting to 30 million Euro (June 30, 2022: no drawdowns).

In the consolidated statement of cash flows for the half-year ending June 30, 2023, the net change of borrowings amounted to 30 million Euro.

12. Liabilities for post-employment and long-term termination benefit plans

in million Euro	June 30, 2023	Dec 31, 2022
Liability for material countries	467	521
Liability for non-material countries	5	10
Long-term termination benefit plans	4	5
Total liability	476	536
Asset for material countries	(19)	(18)
Total asset	(19)	(18)
Net liability (asset) for material countries	448	503
Net liability (asset) for non- material countries	5	10
Long-term termination benefit plans	4	5
Total net liability (asset)	**457**	**518**

For the measurement of its post-employment benefits at June 30, 2023, the Group has applied the requirements of IAS19 (revised 2011).

During the first half year of 2023, the decrease in the carrying amount of the defined benefit obligation for the material countries, being 54 million Euro is explained by a defined benefit cost included in profit or loss of 25 million Euro, employer contributions and benefits paid directly by the Company amounting to 33 million Euro, a divestment of Offset Solutions related pension liabilities related to material countries amounting to 46 million euro. The evolution of the liability related to non-material countries is affected by the divestment of the Offset Solutions amounting to 5 million Euro. In total pension liabilities divested amount to 51 million Euro (note 8).

As per 30 June 2023, no actuarial calculations have been performed. Detailed calculations are performed at year-end. Therefore, in order to understand the Group’s sensitivity to the evolution of the discount rates – in general the most decisive factor for the height of the net pension liability – we refer to the Annual Report 2022, disclosure note 13 ‘Post-employment Benefit Plans’ to the Consolidated Financial Statements.

13. Revenue

in million Euro	6 months ending June 30, 2023	6 months ending June 30, 2022
Revenue from contracts with customers	539	520
Revenue from other sources: Cash Flow Hedges	(1)	(1)
Revenue from other sources: Leasing activities	19	20
Total revenue	**557**	**539**

The disaggregation of revenue from contracts with customers at June 30, 2023 as required by IFRS 15 can be presented as follows:

in million Euro	CONOPS (former Offset Solutions)	Digital Print and Chemicals	Radiology Solutions	Healthcare IT	Total
Geographical region					
Asia/Pacific/Africa	-	48	108	11	166
Europe	32	95	48	38	214
Latin America	-	4	22	4	31
Nafta	-	53	27	66	146
Total revenue by geographical region (destination perspective)	**32**	**200**	**205**	**119**	**557**
Revenue by nature					
Revenue from the sale of goods	32	176	160	36	404
Revenue from the sale of services	0	24	46	83	153
Timing of recognition					
Revenue recognized at a point in time	32	176	160	36	404
Revenue recognized over time	0	24	47	83	153

The disaggregation of revenue from contracts with customers at June 30, 2022 can be presented as follows:

in million Euro	CONOPS (former Offset Solutions)	Digital Print and Chemicals	Radiology Solutions	Healthcare IT	Total
Geographical region					
Asia/Pacific/Africa	-	54	108	9	171
Europe	36	76	55	34	201
Latin America	-	4	24	4	32
Nafta	-	43	28	66	137
Total revenue by geographical region (destination perspective)	**36**	**177**	**215**	**112**	**539**
Revenue by nature					
Revenue from the sale of goods	36	161	168	29	393
Revenue from the sale of services	-	16	47	83	147
Timing of recognition					
Revenue recognized at a point in time	36	163	167	29	394
Revenue recognized over time	-	15	47	83	145

14. Net finance costs

For the six months ended June 30, 2020

in million Euro	2023	2022
Interest income on bank deposits	6	1
Interest expense	(5)	(1)
On bank loans	(5)	(1)
Interest income (expense) – net	**1**	**(1)**
Other finance income	2	2
Other finance expense	(15)	(10)
Other finance income (expense) – net	**(13)**	**(8)**
Net finance costs	**(12)**	**(9)**

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 fair value of derivative financial instruments hedging non-operating activities; other finance income (expense).

The increase in other finance expenses in the first half-year of 2023 compared to the first half-year of 2022 is explained by an increase of the interest component on defined and other employee benefits (5 million Euro), the reclass of exchange losses on disposal of a foreign operation in Q2 2022 (-3 million Euro) partly offset by the negative evolution of exchange and revaluation results on non-operating activities compared to Q2 2022 (4 million Euro).

15. Business Combinations

During the first half year of 2022, the Agfa Group acquired Inca Digital Printers. 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 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 comprises the purchase of the shares of two UK based companies, a US business asset purchase and the purchase of assigned intellectual property. The purchase price amounted to 54 million Euro.

Intangible assets identified relate to trademarks, being the brand name INCA and Onset and 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 7 years. The brand names will be amortized over an estimated useful life of 6 years. The acquired ‘assigned intellectual property’ will be amortized over a period of 10 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.

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 condensed consolidated statement of financial position and the condensed consolidated statement of cash flows:

in million Euro	**2022** **Inca Digital Printers**
Intangibles with Finite Useful life	
Tradenames	*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 tax liabilities	(5)
Cash and cash equivalents	10
Lease liabilities	(8)
Provisions	(1)
Total identifiable net assets acquired	**52**
Goodwill amount recognised	2
Consideration paid	**(54)**
of which paid during 2022	***(57)***
of which received during 2023	***3***
Cash acquired	10
Net cash outflow for acquistions	**(45)**
of which related to 2022	*(48)*
of which related to 2023	*3*

16. Contingencies

There were no significant changes in contingencies as those disclosed in the consolidated financial statements of the Group as at and for the year ended December 31, 2022.

17. Related party transactions

Transactions with Directors and members of the Executive Management

For the six months ended June 30, 2023 there are compared to last year no significant changes in the ordinary compensation of the Executive Management and other key management personnel.

As of June 30, 2023 there were no loans outstanding to members of the Executive Management nor to members of the Board of Directors.

18. Financial instruments

Financial instruments include a broad range of financial assets and liabilities. They include both primary financial instruments such as cash, receivables, debt and shares in another entity and derivative financial instruments.

Financial assets have decreased with 220 million Euro, from 555 million Euro at 31 December 2022 to 335 million Euro at 30 June 2023. This evolution is mainly attributable to a decrease in trade receivables by 139 million Euro from 300 million Euro at 31 December 2022 to 161 million at 30 June 2023, which is related to the fact that a major part of the business was disposed off. An amount of 142 million Euro trade receivables has been divested (note 8). Also the cash and cash equivalents decreased with 94 million Euro from 138 million Euro at December 31, 2022 to 44 million at June 30, 2023.

At the liability side, the carrying amount of financial instruments have decreased by 111 million Euro from 322 million Euro at 31 December 2022 to 211 million Euro at 30 June 2023 which is mainly explained by the evolution of the trade payables that have decreased with 122 million euro. This is explained by the sale of the former Offset Solutions business where an amount of 95 million Euro trade payables has been divested (note 8). Other liabilities reflected in the column 'Mandatory at fair value through profit or loss (FVTPL)' relate to a deposit of 3,4 ton silver placed with a metal recovery and refining company valued at quoted market price and valued at fair value (June 30, 2023: 2 million Euro; December 31, 2022: 2 million Euro).

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 calculated using observable forward exchange rates and yield curve data at reporting date. The fair value of swap agreements is calculated as the present value of the estimated future cash flows based on quoted swap rates.

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 receivables under finance lease is based on the present value of future minimum lease receivables discounted at a market rate of interest for similar assets.

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 for the current bank liabilities approximates nominal amounts excluding transaction costs, as drawdowns are made for short periods.

The table on the following page shows the carrying amounts and fair values of financial assets and liabilities by category and a reconciliation to the corresponding line items in the statements of financial position.

in million Euro	June 30, 2023							
	Carrying amount							Fair Value
	Fair value – hedging instruments	Mandatorily at FVTPL - Others		FVOCI – equity instruments	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	
Fair Value Hierarchy	(2)	(2)	(3)	(1)				
Assets								
Other financial assets	-	-	-	4	0	-	4	**4**
Trade receivables	-	-	-	-	161	-	161*	
Receivables under finance lease	-	-	-	-	92	-	92*	
Other receivables	-	-	-	-	32	-	32*	
Derivative Financial instruments:								
Forward exchange contracts used for hedging	-	-	-	-	-	-	-	-
Swap contracts used for hedging	-	-	-	-	-	-	-	-
Other forward exchange contracts	-	-	-	-	-	-	-	-
Other swap contracts	-	2	-	-	-	-	2	**2**
Cash and cash equivalents	-	-	-	-	44	-	44	**44**
Total assets	**-**	**2**	**-**	**4**	**329**	**-**	**335**	
Liabilities								
Loans and borrowings								
Revolving credit facility	-	-	-	-	-	(29)	(29)**	(29)
Other bank liabilities	-	-	-	-	-	1	1	**1**
Bank overdrafts	-	-	-	-	-	-	-	
Lease liabilities	-	-	-	-	-	48	48*	
Trade payables	-	-	-	-	-	127	127*	
Other payables	-	2	-	-	-	4	6*	
Derivative Financial instruments:								
Swap contracts used for hedging	-	-	-	-	-	-	-	-
Forward exchange contracts used for hedging	-	-	-	-	-	-	-	-
Other forward exchange contracts	-	-	-	-	-	-	-	-
Other swap contracts	-	-	-	-	-	-	-	-
Total liabilities	**-**	**2**	**-**	**-**	**-**	**209**	**211**	

Fair Value hierarchy:

(1) Fair value hierarchy 1 means that 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 the 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

* The Group has not separately disclosed the fair value of trade and other receivables and the fair value of trade and other payables as the carrying amounts of these assets and liabilities is a reasonable approximation of fair value.
** Transaction costs are included in the initial measurement of the financial liability (1 million euro)
*** Related to contingent consideration from business combinations (performance based component). The fair value of the 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).

in million Euro	December 31, 2022							
	Carrying amount							Fair Value
	Fair value – hedging instruments	Mandatorily at FVTPL - Others		FVOCI – equity instruments	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	
Fair Value Hierarchy	(2)	(2)	(3)	(1)				
Assets								
Financial assets	-	-	-	4	1	-	5	5
Trade receivables	-	-	-	-	300	-	300 *	
Receivables under finance lease	-	-	-	-	103	-	103 *	
Other receivables	-	-	-	-	6	-	6 *	
Derivative Financial instruments:								
Forward exchange 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	-	-	-	-	138	-	138	138
Total assets	**-**	**3**	**-**	**4**	**547**		**555**	**-**
Liabilities								
Loans and borrowings								
Revolving credit facility	-	-	-	-	-	(1)	(1) **	
Bank overdrafts	-	-	-	-	-	-	-	
Other bank liabilities	-	-	-	-	-	4	4	4
Lease liabilities	-	-	-	-	-	62	62 *	
Trade payables	-	-	-	-	-	249	249 *	
Other payables	-	2	-	-	-	4	6 *	
Derivative Financial instruments:								
Forward exchange contracts used for hedging	1	-	-	-	-	-	1	1
Swap contracts used for hedging	-	-	-	-	-	-	-	-
Other forward exchange contracts	-	-	-	-	-	-	-	-
Other forward exchange contracts	-	1	-	-	-	-	1	1
Total liabilities	**1**	**3**	**-**	**-**	**-**	**318**	**322**	**-**

Fair Value hierarchy:
(1) Fair value hierarchy 1 means that 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 the 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

* The Group has not separately disclosed the fair value of trade and other receivables and the fair value of trade and other payables as the carrying amounts of these assets and liabilities is a reasonable approximation of fair value.
** Transaction costs are included in the initial measurement of the financial liability (- million euro)
*** Related to contingent consideration from business combinations (performance based component). The fair value of the 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).

19. Subsequent events

There are no subsequent events.

Addendum

The information provided in this addendum forms an integral part of the Condensed consolidated interim financial statements as of June 30, 2023. It has not been subject to a review of KPMG Bedrijfsrevisoren.

AGFA-GEVAERT GROUP

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME for the second quarter ending June 2023 / June 2022

Condensed consolidated statement of profit or loss

in million Euro	Q2 ending June 30, 2023	Q2 ending June 30, 2022
CONTINUED OPERATIONS		
Revenue	**287**	**287**
Cost of sales	(200)	(198)
Gross profit	**87**	**90**
Selling expenses	(42)	(45)
Research and development expenses	(19)	(20)
Administrative expenses	(35)	(39)
Impairment loss on trade and other receivables, including contract assets, net amount	-	-
Other operating income	13	15
Other operating expenses	(11)	(8)
Result from operating activities	**(8)**	**(7)**
Interest income (expense) – net	**-**	**-**
Interest income	3	-
Interest expense	(3)	(1)
Other finance income (expense) – net	**(6)**	**(10)**
Other finance income	-	(2)
Other finance expense	(7)	(8)
Net finance costs	**(6)**	**(11)**
Profit (loss) before income tax	**(14)**	**(18)**
Income tax expense	(4)	(2)
Profit (loss) from continuing operations	**(17)**	**(20)**
DISCONTINUED OPERATIONS (1)		
Profit (loss) from discontinued operations, net of tax	**3**	7
Profit (loss) for the period	**(14)**	**(13)**
Profit attributable to:		
Owners of the Company	(14)	(17)
Non-controlling interests	-	4

Condensed consolidated statement of comprehensive income

In million Euro	Q2 ending June 30, 2023	Q2 ending June 30, 2022
Profit (loss) for the period	**(14)**	**(13)**
Profit (loss) from continuing operations	***(17)***	***(20)***
Profit (loss) from discontinued operations, net of tax	***3***	***7***
Other comprehensive income, net of tax		
Items that are or may be reclassified subsequently to profit or loss:	1	24
Exchange differences:	*1*	*24*
Exchange differences on translation of foreign operations	3	24
Release of exchange differences of discontinued operations to profit or loss	(2)	-
Cash flow hedges:	-	*(2)*
Effective portion of changes in fair value of cash flow hedges	-	(3)
Change in fair value of cash flow hedges reclassified to profit or loss	-	1
Adjustments for amounts transferred to initial carrying amount of hedged items	-	-
Income taxes	-	-
Items that will not be reclassified subsequently to profit or loss:	-	117
Equity investments at fair value through OCI – change in fair value	-	(2)
Remeasurements of the net defined benefit liability	-	130
Income tax on remeasurement of the net defined benefit liability	-	(11)
Total other comprehensive income for the period net of tax	**1**	**138**
Total other comprehensive income for the period from continuing operations	***2***	***118***
Total other comprehensive income for the period from discontinuing operations	***(1)***	***20***
Total comprehensive income for the period attributable to :	**(13)**	**125**
Owners of the Company	(14)	120
Non-controlling interests	2	5
Total comprehensive income for the period from continuing operations	**(15)**	**98**
Owners of the Company (continuing operations)	(15)	98
Non-controlling interests (continuing operations)	-	-
Total comprehensive income for the period from discontinuing operations	**2**	**27**
Owners of the Company (discontinuing operations)	-	22
Non-controlling interests (discontinuing operations)	2	5