



IBA BUSINESS UPDATE – THIRD QUARTER 2020

Louvain-la-Neuve, Belgium, 19 November 2020 - IBA (Ion Beam Applications S.A., EURONEXT), the world's leading provider of proton therapy solutions for the treatment of cancer, today announces its business update for the third quarter ending 30 September 2020.

Olivier Legrain, Chief Executive Officer of IBA SA, commented: *“Whilst the global operating environment continues to be impacted by the COVID-19 crisis, IBA’s business is demonstrating encouraging resilience and is well positioned to weather ongoing disruption caused by the pandemic. This resilience is particularly evident in the strengthening of recurring revenues from strong performances of Dosimetry and Services. Other Accelerators also continues to perform very well and as IBA continues to demonstrate its market superiority, we are seeing market share gains in these businesses as well.”*

“As we look to the coming months and 2021, we are pleased to note our strong net cash position, which has continued to improve throughout the year. As it stands, the equipment backlog within our Proton Therapy and Other Accelerators divisions remains at a record high and across the business we are making our best efforts to ensure installations continue wherever possible, amidst travel restrictions and customer constraints. The PT market remains active, with China continuing to be a key strategic target for proton therapy and we were delighted to secure a licensing deal this quarter with CGNNT in China worth at least EUR 100 million.”

Across all business lines, IBA’s focus remains on its core drivers of growth: Know-how, Execution and Innovation.

Know-how

- IBA's unrivalled expertise in particle acceleration spans 34 years and within proton therapy, IBA has an established position as the largest and most knowledgeable community with 59 centers sold internationally and 36 treating patients on a daily basis.
- In September, IBA announced that 100,000 patients have now been treated with IBA proton therapy systems around the world, a key milestone for the Group and for patients.
- Across its range of particle accelerators, IBA continues to deliver innovative products to meet new market needs, such as the production of radiopharmaceuticals that are vital for use in severe disease diagnosis and treatment or to sterilize medical devices or other materials as a greener alternative to existing methods such as gamma sterilization.
- IBA strives to continue providing the most technologically advanced offering, which will be a key driver of the future success of the business.

Execution

- Business operations have remained solid into the third quarter, albeit with ongoing delays in the installation of systems as a result of the COVID-19 pandemic.
- Positive business delivery is underpinned by a resilient financial footing. Cash control measures, as well as amounts received from a licensing deal resulted in an (unaudited) gross cash figure of EUR 122 million and net cash of EUR 33 million at the end of September.



- IBA's Equipment and Services backlog remains at an all-time high. The Company remains committed to driving order intake across all business lines, underpinned by a focus on innovation.
- Services continued to perform well, reflecting the fact that all proton therapy centers have remained operational during the crisis. With Services becoming an increasing revenue driver, IBA has continued to invest in its service business, while ensuring the most effective and streamlined approach to this important revenue stream.
- China's central Ministry of Health has opened the application process for the proton therapy licences that will be awarded in 2020. Applications have to be made by 31 December 2020 and results are expected in early 2021.
- As announced previously, IBA secured a licensing deal for the proton therapy solution Proteus®PLUS* with CGNNT in China worth a minimum of EUR 100 million, with the first payment of EUR 20 million received in the third quarter and an irrevocable letter of credit issued by CGNNT for the remaining EUR 80 million. IBA will start to recognize revenues from this deal in 2020.
- IBA is ideally positioned to capture opportunities in China, a market of key strategic importance. The Company remains the proton therapy market leader in the region as demonstrated by the recently announced deal in Sichuan and agreement with CGNNT. This agreement provides IBA with a wider platform to meet the demand for multi-room configurations that are anticipated in the coming years.
- In October, IBA received the NOC (No Objection Certificate) that allows the company to import its Proteus®ONE* solution into India.
- In spite of the pandemic, IBA is actively engaged in discussions for further international tenders. IBA signed a contract in September with Sichuan Cancer Hospital & Institute to install a four-room Proteus®PLUS proton therapy system in Chengdu, Sichuan province, China.
- Other Accelerators continues to perform well, with 14 systems sold this year. There has been increasing demand for new diagnostic radioisotopes which has helped the strong performance of RadioPharma Solutions.
- The Institute of Radioelements (IRE) in Belgium has also commissioned RadioPharma Solutions to install a high energy particle accelerator for the production of radioisotopes for the diagnosis of numerous cancer types such as neuroendocrine tumors and prostate cancer.
- Industrial Solutions recently signed a contract for the first end-to-end Rhodotron® DUO solution for multi-purpose irradiation in Taiwan, worth around EUR 8 million. The contract was signed with Shin-Ho Instruments Co., LTD., a fully-owned subsidiary of CHC Healthcare Group in Taiwan.
- IBA Dosimetry order intake remains strong as the business unit continues to gain market share in quality assurance for conventional radiotherapy, while also confirming its leadership in dosimetry for proton therapy.

Innovation

- A key priority for the Group remains its targeted investment in innovative proton therapy technologies in close collaboration with our customers and through R&D partnerships to drive future growth including Motion Management, Arc Therapy and FLASH Therapy.
- Within Services, investment has focused on ensuring more streamlined services and optimized upgrades, with the division becoming an increasingly important driver of revenue.



- In addition, close collaborations with Philips, Elekta and RaySearch Laboratories enable the latest radiation therapy insights to be integrated into IBA's existing systems.
- On the Industrial Solutions side, the development of the Rhodotron® TT300 HE is progressing well. Using high-energy electrons with this Rhodotron®, IBA's customer Northstar will be able to avoid the use of uranium and offer an optimized method to deliver technetium-99 that is widely used for medical diagnostics.
- IBA Dosimetry has been boosted by new innovative products with myQA iON, the unique IBA Dosimetry Patient QA software solution for proton therapy, being approved by the FDA in July.

Outlook

Throughout the year, IBA has remained committed to stringent cash preservation measures. As a result, the balance sheet remains strong, with an unaudited gross cash position of EUR 122 million. These measures will continue to mitigate uncertainty related to the pandemic.

With the lack of clarity on future projections caused by COVID-19, IBA believes its decision to withdraw guidance for the short-term was prudent. The company intends to provide more detailed guidance as soon as practicably possible. As stated above, the Group will start to recognise revenue from the CGNNT proton therapy deal in its 2020 full year results.

The main area of focus for the Group continues to be on strategic R&D investments while driving efficiency across the business.

Shareholder's Agenda

Full Year 2020 results:

25 March 2021

-ENDS-

About IBA

IBA (Ion Beam Applications S.A.) is a global medical technology company focused on bringing integrated and innovative solutions for the diagnosis and treatment of cancer. The company is the worldwide technology leader in the field of proton therapy, considered to be the most advanced form of radiation therapy available today. IBA's proton therapy solutions are flexible and adaptable, allowing customers to choose from universal full-scale proton therapy centers as well as compact, single room solutions. In addition, IBA also has a radiation dosimetry business and develops particle accelerators for the medical world and industry. Headquartered in Belgium and employing about 1,500 people worldwide, IBA has installed systems across the world.



IBA is listed on the pan-European stock exchange NYSE EURONEXT (IBA: Reuters IBAB.BR and Bloomberg IBAB.BB). More information can be found at: www.iba-worldwide.com

**Proteus®ONE and Proteus®PLUS are brand names of Proteus 235*

For further information, please contact:

IBA

Soumya Chandramouli

Chief Financial Officer

+32 10 475 890

Investorrelations@iba-group.com

Thomas Ralet

Head of Corporate Communication

+32 10 475 890

communication@iba-group.com

For media and investor enquiries:

Consilium Strategic Communications

Amber Fennell, Angela Gray, Lucy Featherstone, Lizzie Seeley

+44 (0) 20 3709 5700

IBA@consilium-comms.com