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Regulated information – Press release annual results  
EVS Broadcast Equipment S.A.: Euronext Brussels (EVS.BR), Bloomberg (EVS BB), Reuters (EVSB.BR)

# EVS reports 2022 results

Liège, Belgium, February 17<sup>th</sup>, 2023

## EVS delivers record revenue and order intake results

The results of 2022 are entirely supporting the growth ambitions of EVS. All the fundamentals for topline performance are strong: EVS realizes a record-high order intake and achieves a historical revenue number, despite the increased delivery terms in 2022. EVS is able to demonstrate a strong net profit result and as a consequence, realizes a solid Earnings Per Share.

## FY22 Highlights

- Record order intake at EUR 218,8 million, growing 46,5% YoY.
- Revenue performance in line with expectations at EUR 148,2 million, growing 7,7% vs. FY21 despite increased delivery terms announced early 2022 and despite reduced Big Event Rental (BER) activity. The growth is realized through strong growth in North America and in the MediaInfra solution.
- Controlled OPEX growth, in line with market expectations.
- Healthy net profit at EUR 31,3 million driven by a strong financial income performance and a one-off benefit in taxes, resulting in fully diluted earnings per share of EUR 2,29.

## 2H22 Highlights

- Record order intake of EUR 130,1 million (including Big Tech 2022 contract).
- Revenue for the second half of 2022 at EUR 80,5 million, growing 6,1% compared to the same period last year.
  - Big Event Rental revenue at EUR 4,2 million, down EUR 4,9 million compared to 2H21.
  - Revenue excluding Big Event Rental at EUR 76,3 million, growing EUR 9,5 million.
- Net profit amounts to EUR 15,9 million, leading to fully diluted earnings per share of EUR 1,14.

## Outlook 2023

- The important order intake of 2022 has considerably fueled the order book to be delivered in future periods. The total order book at the end of 2022 is of EUR 141,8 million, growing 122% compared to last year.
  - The order book reserved for 2023 is estimated at EUR 85,9 million, growing 68,4% compared to beginning of the year 2022.
- Based on the order book and current market dynamics, the revenue guidance for the year 2023 is set at EUR 145-155 million. The revenue range demonstrates the ambition of EVS to continue the organic growth, in a year with no Big Event Rental revenue.
- With the growth engine launched, the focus in 2023 for EVS will be on profitable growth.
- EVS plans no further growth in team members nor do we expect an increase in our capital expenditure envelope.
- We expect to pay out dividends in 2023 in line with our dividend policy, namely a base dividend per share of EUR 1,10.

## Key figures

EUR millions, except earnings per share expressed in EUR						
	2H22	2H21	Variance	FY22	FY21	Variance
Revenue	80,5	75,8	4,7	148,2	137,6	10,6
Gross profit	53,0	53,2	-0,2	98,8	95,8	3,0
Gross margin %	65,8%	70,3%	-4,5 Pts	66,7%	69,6%	-2,9 Pts
Operating profit – EBIT	16,0	21,7	-5,7	31,7	37,1	-5,4
Operating margin – EBIT %	19,9%	28,6%	-8,7 Pts	21,4%	27,0%	-5,6 Pts
Net profit (Group share)	15,9	19,3	-3,5	31,3	34,9	-3,6
Fully diluted EPS (Group share)	1,14	1,42	-0,28	2,29	2,57	-0,28

## Comments

### Serge Van Herck, CEO comments:

*"I'm proud to say that 2022 was again quite a successful year for EVS. Our PlayForward strategy, as defined at the end of 2019, is starting to deliver the expected growth momentum.*

*In 2022, we had a second record year in a row, with strong growth in revenues, order intake, and team member size. We showed significant growth in North America, announced our largest contract ever in August with the "Big Tech 22 contract" worth over 50MioUSD, and successfully fought against inflation and component shortages throughout the year.*

*We feel we are winning market share in our Live Audience Business and protecting our position in the Live Service Providers markets. We successfully supported many of our customers in delivering the live TV production of major sports events in Asia, the Middle East, and North America.*

*The growth of our team is clearly unlocking our sustainable growth ambitions. Our strong employer branding has enabled us to successfully hire strong talent across the world. Our team member engagement survey shows again further improvements compared to the years before, resulting in our recent "Top Employer" certification.*

*We are making good progress in our vision of developing a strong ecosystem relying on our VIA platform as we are successfully moving from product to solution sales. Our introduction of Artificial Intelligence (AI) in XtraMotion is a revolution in the industry and it represents a major differentiator.*

*The Axon acquisition in May 2020 has translated into our Media Infrastructure revenue growth and positively contributes to our bottom line, demonstrating our capability to execute successfully large acquisitions. We have also launched our new ERP and upgraded our VIA Portal applications such as our customer ticketing system to support our long-term growth ambitions.*

*In line with our commitments, we continued to deliver strong dividends for our shareholders. Our sustainability strategy has started to deliver strong results aligned with our customer's expectations, and resulting in good ESG ratings like the Ecovadis Silver medal. We completed our first carbon footprint analysis: this will be a critical management tool for taking the right sustainability decisions in the future.*

*In conclusion, our PlayForward strategy, is clearly being appreciated by our customers and channel partners. This is helping us to get back into growth mode. While economic market conditions remain very challenging with high inflation,*

*component shortages and with the war in Ukraine, we feel that our customers increasingly appreciate the reliability, performance and innovative edge of our solutions and services.*

*Our ambition for the next years is to continue to deliver growth on both our top and bottomline. We are convinced that by focusing on cost control we will be able to deliver upon this promise.”*

**Commenting on the results and the outlook, Veerle De Wit, CFO, said:**

*“Our 2022 revenue results clearly demonstrate our ability to achieve organic growth. Even despite increased delivery terms, announced early 2022, and with a declining Big Event Rental revenue, we are able to realize a strong top line performance. All indicators lead us to conclude that this organic growth is here to stay: the revenue performance, together with the strong secured revenue position for 2023, are a solid basis to continue our growth path.*

*Being a company in growth mode, means that the necessary resources need to be invested to support this growth: 2022 has been a year where we invested in additional resources, in new product developments, and in the back-bone of our operations. This backbone, a globally released new ERP system, has allowed us to optimize our processes and refine our cost control. As a result, the granularity of our reporting is improving, which has led to a decision to write off EUR 0,7 million of Bill of Material costs in 4Q22.*

*Our operational expenses grew in a controlled way. Control over our spending patterns remains an attention point for 2023, especially in the current volatile market.*

*Thanks to sound treasury management and tax benefits, we are able to generate a strong Net Profit worth EUR 31,3 million, driving a diluted Earnings Per Share of EUR 2,29.*

*Our balance sheet also remains healthy with a very low debt level and a sound cash position. Our cash position is declining throughout 2022, as a consequence of high dividends paid, and as a consequence on increased Net Working Capital requirements. The impact on Net Working Capital is temporary: the implementation of the new ERP system has created a delay in invoicing in the fourth quarter – the quarter with the highest volume – resulting in a large volume of receivables not due at the end of 2022. This is a temporary effect, that will normalize early in 2023, as soon as the invoices become due.*

*Based on the strong results for the year 2022, we are able to maintain our dividend policy defined earlier in 2022.”*

## Market & customers

The record high numbers in terms of revenues, order intake and order book translate the market traction that EVS is living. Our main growth drivers are North America and Media Infrastructure. The performance of our MediaInfra solution clearly demonstrates the power of our acquisition strategy. It is the fruit of our investment in Axon in 2020, and this acquisition demonstrates its return on investment 2 years later.

The high order intake is also thanks to our biggest contract signed in the history of EVS: our Big Tech 2022. This contract proved an exceptional milestone in the history of EVS. This contract is a 10-year agreement that covers the delivery of EVS' live production, replay and highlight solutions LiveCeption®, combined with a long-term services level agreement. The contract provides our US based customer access to the latest technology innovations for the next 10 years, a full upgrade of its installed base, a predictable operational spend and an ease of operations.

2022 was a year with important Big Events, that EVS was able to support successfully. New solutions, like MediaHub and MediaInfra Strada, were introduced in our Big Event Rental business with success.

Market conditions have been challenging throughout the year, with volatile interest rates, inflation and a continued erratic components market. This volatile market has urged EVS to implement a systemic price increase policy. Twice a year the sales prices are evaluated based on the underlying cost for components and inflation of labour cost. EVS has introduced 2 price increases in 2022: a first one in February 2022, and a second one in September 2022. The price increase policy aims to guarantee the overall profitability of the solutions of EVS.

The erratic components market also forced EVS to extend its delivery periods early 2022 and to change the supply chain approach. However, as most components suffer longer lead-times, EVS has pro-actively invested in inventory to ensure these delivery terms are met.

EVS has received many awards in 2022, and this for different business dimensions. Ranging from technology awards (Neuron Protect Best of Show Award at the NAB Show), to Wallonia International Business Awards, to IABM Environmental Sustainability award, to Top Employer Certification 2023.

Three years after the PLAYForward strategic exercise that has moved the focus from products to solutions, we can confidently say that this solution driven approach is highly appreciated by our customers and contributes to the differentiation reflected in the order book.

## Technologies

During 2022, new generation of AI products did surface on the market. EVS continues to invest in the development of specific machine learning algorithms for broadcast specific components and also integrates in parallel existing AI technologies or libraries inside the solution portfolio or the workflows deployed for our customers.

EVS also further developed and evangelized this year the concept of “Balanced computing” as the best distribution of the computing workload between on-prem, datacenter and public cloud based on the economic benefits and the technical constraints for a specific workflow. This concept has been well received by the market where some players start to discover the limitations in terms of feature and the significant impact on Total Cost of Ownership for the production of premium events.

EVS also currently invests in the development of important solution components that will be later embraced in the different solutions. Thanks to the capability to track the benefits brought by these components in the future, these developments are activated. These developments will contribute to the future sustainable growth of EVS.

## Corporate topics

2022 marks the moment where the Axon acquisition really starts to pay off for EVS. The initial assumptions made in terms of geographical expansion of the market are becoming a reality. Also the developments made to ensure end-to-end integration with EVS products demonstrate the complementarity of this company within the EVS portfolio. It comforts us in our Acquisition strategy and our ability to integrate companies.

One of the axes of the PLAYforward strategy is improving our internal way of working. As a company we want to ensure that we have efficient processes in place that promote end-to-end collaboration across all our departments. Having an efficient operational back-bone is important in that context. In October 2022, EVS launched a new global ERP system to ensure optimal functioning of our company. The launch was a success and did not cause any major business interruption: shipping, production and support were active as of day 1. We now have a solid base to continuously optimize our processes and ensure an optimal team member and customer experience.

Speaking about improved processes, 2022 is also the year where we first implemented a systemic listprice adjustment. The market conditions require a clear methodology to offset the impact of rising component prices and increasing inflation over labour costs. EVS now evaluates the need for price adjustments twice a year to protect the margin generation of the company.

2022 is also the year where we continue to expand our sustainability efforts in terms of ESG. After a first holistic report published in 2021, we continue to structure our efforts in terms of sustainability. Our current ESG strategy and reporting has already received positive feedback from the market: we received a silver medal from Ecovadis, obtained encouraging score from other rating companies and recently obtained the certification of Top Employer for 2023. By the end of 2022, we also realized our first EVS Carbon Footprint analysis: it provides us not only insight on our direct and indirect CO2 emissions, but most importantly, helps us to define our roadmap to reduce our carbon footprint in the future.

EVS also reinvented the way it collaborates with its channel partners. A structured channel partner program has been developed, focused on sustainable relationships with partners more than on opportunistic market responses, starting to develop certification paths and clear objectives. This program allows EVS to reach a broader set of clients and even penetrate new markets.

Being a company in growth mode, EVS further invested in additional team members. Additional resources were primarily allocated to support and operations roles, as to fuel our future growth, and some research and development resources,

as to staff some important developments ensuring future growth. Thanks to a strong employer branding, EVS was able to attract this high number of talents in a relatively short time frame.

Also to support our future growth ambition, EVS further strengthened its leadership team, early 2022. A new CTO, Alex Redfern, was welcomed and Xavier Orri was named EVP of Projects & Operations.

## Revenue in 2H22 and FY22

In 2H22, EVS revenue reached EUR 80,5 million: an increase of EUR 4,7 million or 6,2% compared to 2H21, despite a drop of EUR 4,2 million on Big Event Rentals.

At constant currency, revenue decreased by 1.6% YoY.

Revenue – EUR millions	2H22	2H21	2H22/2H21
Total reported	80,5	75,8	6,0%
Total at constant currency	74,7	75,8	-1.6%
<b>Total at constant currency and excluding big event rentals</b>	<b>70,5</b>	<b>66,8</b>	<b>5.6%</b>

For the full year 2022, EVS revenue reached EUR 148,2 million: an increase of EUR 10,6 million or 7,7% compared to 2021, despite a drop of EUR 3,7 million on Big Event Rentals and despite an increased delivery term announced early 2022. This performance demonstrates the organic growth realized in 2022.

At constant currency, revenue increased by 3,5% YoY.

Revenue – EUR millions	FY22	FY21	FY22/FY21
Total reported	148,158	137,578	7,7%
Total at constant currency	142,382	137,578	3.5%
<b>Total at constant currency and excluding big event rentals</b>	<b>132,532</b>	<b>124,044</b>	<b>6.8%</b>

Currency fluctuations primarily impact EVS revenues by the EUR/USD conversion, which can have a significant impact on our results even if EUR/USD fluctuations also impact the cost of our US operations and partially our cost of goods sold.

In the second half of the year, (excl. Big Event Rentals) LSP represented 40% (31% in 2H21) of the revenue, LAB 55% (57% in 2H21).

Geographically, revenues (excl. Big Event Rentals) are distributed in 2H22 as follows:

- **Europe, Middle East and Africa (EMEA):** EUR 39,1 million (EUR 31,7 million in 2H21)
- **Americas (NALA):** EUR 25,9 million (EUR 21,7 million in 2H21)
- **Asia & Pacific (APAC):** EUR 11,3 million (EUR 13,4 million in 2H21), impacted by the slowdown in the region following COVID implications (primarily in China). The order intake for APAC in 2H22 do recomfort us that this trend can be reversed.

## Overall 2022 results

Consolidated gross margin was at 66,7% for FY22, compared to 69,6% in FY21 (-2,9 Pts) explained by different drivers:

- Important investments in the operations & support department to ensure we continue to deliver quality support all over the world, in line with our growth patterns (representing -1,4 Pts)
- Impact of the change in solution mix is representing -1.1 Pts following the relative weight of Media Infrastructure in the overall portfolio.

- Write-off worth EUR 0,7 million linked to bill of material costs, following more granular inventory reporting thanks to optimized processes in our new ERP (-0,4 Pts)

In order to maintain gross profit levels, the impact of cost price increases and inflation have been systematically modeled by corresponding sales price increases. This has resulted primarily in improved margins for our Media Infrastructure and MediaCeption solutions.

Operating expenses increased by 11% YoY (remaining below the guidance provided) explained by inflation on labour cost and energy prices and post-COVID spending patterns impacting spend for travel, marketing, ... EVS did also invest in additional Research & Development resources in 2022, both through internal engagements as well as external contracts. These additional resources were staffed on 2 important developments, recognized as intangible assets in 2022. The associated spend was therefore capitalised on the balance sheet.

Overall EBIT performance is of EUR 31,7 million, generating an EBIT margin of 21,4%.

The net profit ends at EUR 31,3 million benefiting from a strong financial income following pro-active cash flow management and low income taxes (EUR 1,4 million compared to EUR 2,8 million last year) resulting from an excess in tax paid in 2021 and various tax latencies linked to prior years.

The net profit leads to a fully diluted earnings per share of EUR 2,29 (versus EUR 2,57 in 2021).

## Overall second half 2022 results

The gross profit margin in 2H22 was of 65,9% compared to 70,3% in the same period last year. The drop is a consequence of lesser revenue from Big Event Rentals and a higher weight of Media Infrastructure solution in the overall mix. In addition, the impact of the hirings done in 2022 to ensure continued quality operations and support affect the comparison.

Operating expenses grew 13.8% in 2H22, compared to the same period last year and are a reflection of post-COVID spending patterns and impact of inflation.

The 2H22 EBIT margin was 19,8%, compared to 28,6% in 2H21: the EBIT margin is dropping primarily following investments in the past 12 months to support our growth pattern.

The Group net profit amounted to EUR 15,9 million in 2H22, compared to EUR 19,3 million in 2H21. Fully diluted earnings per share amounted to EUR 1,14 in 2H22 compared to EUR 1,42 in 2H21.

## Team members

At the end of 2022, EVS employed 613 team members (FTE). This is an increase by 62 team members compared to the end of 2021 (551 FTE). This increase in team members reflects our continued investments in the growth of EVS. We expect no further growth of our team member base in 2023, and we will ensure that we balance the priorities of EVS with the existing workforce.

## Balance sheet and cash flow statement

EVS continues to have a strong balance sheet with net cash position of EUR 33,8 million with low debt level (of which EUR 12,5 million related to IFRS 16) resulting in a total equity representing 75,4% of the total balance sheet as of the end of 2022. The decrease in cash and cash equivalents (EUR -23,1 million) compared to end of 2021 is mainly driven by the dividends paid in May and November (including exceptional additional dividend), combined with the increase in working capital requirements at the end of 2022.

The working capital requirements are growing, primarily linked to growing trade receivables. The trade receivables evolve largely in line with our overall sales volumes. 71% of our trade receivables is not due at year-end, with a large volume of invoices issued in the second half of the fourth quarter, given a temporary hold of invoicing operations after the Go-Live of our new ERP system. We expect these trade receivables to restore in 1Q23. A sound cash position remains a priority for EVS.

Other intangible assets include the costs for internal development capitalized during 2022 according to IAS 38 (Intangible assets).



Lands and building mainly include the headquarters in Liège as well as the right of use for the offices abroad (IFRS16).

Inventories amount to EUR 28,8 million, an increase of EUR 2,8 million compared to the beginning of the year as a reflection of a pro-active supply chain management to ensure we systematically meet our customers' delivery terms.

Liabilities include EUR 15,3 million of financial debt (including long term and short-term portion), mainly related to the lease liabilities for EUR 12,5 million and borrowings for EUR 2,8 million. Long-term provisions include the provision for technical warranty on EVS products for labor and parts. Other amounts payable mainly represent deferred income and advance payments received from customers on contracts in progress.

Net cash from operating activities amounts to EUR 11,0 million for the full year 2022, compared to EUR 38,7 million in 2021. The decrease is mainly driven by higher working capital requirements resulting from higher trade receivables (as described above) and lower trade payables, combined with lower net profit. On December 31, 2022, cash and cash equivalents total EUR 49,1 million, compared to EUR 72,1 million at the end of 2021. The decrease is mainly driven by lower cash from operating activities, combined with the increase of the net cash used in investing activities mainly due to the investments in intangible and tangible assets (specifically in the internal development of intangible assets) together with the increase of the net cash used in financing activities following the higher amount of dividends distributed during 2022, including the exceptional dividend.

At the end of December 2022, there were 14.327.024 EVS shares outstanding, of which 908.014 were owned by the company. At the same date, 492.975 warrants were outstanding with average exercise price of EUR 16,95 and maturities between October 2026 and September 2028.

## Corporate update

There has been no further change to the composition of the Board of Directors since the last General Assembly on May 17<sup>th</sup> during which the shareholders had appointed two new directors, Frédéric Vincent and Marco Miserez, both for a period of 4 years. The Board of Directors is currently composed of seven directors:

- **Johan Deschuyffeleer**, independent director & President (representing The House of Value BVBA);
- **Michel Counson**, managing director;
- **Martin De Prycker**, independent director (representing InnoConsult BVBA);
- **Chantal De Vrieze**, independent director (representing 7 Capital SRL);
- **Frédéric Vincent**, independent director;
- **Marco Miserez**, independent director; and
- **Anne Cambier**, independent director (representing Accompany You SRL)

## Glossary

Term	Definition
<b>Secured revenue</b>	Revenue already recognized as well as open orders on hand that will be recognized as revenue in the fiscal year
<b>Order book &lt;date&gt;</b>	Revenues planned to be recognized after the <date> based on current orders.
<b>LAB market pillar</b>	<b>LAB</b> – Live Audience Business Revenue from customers leveraging EVS products and solutions to create content for their own purpose This market pillar covers the following types of customers: Broadcasters, Stadium, House of Worship, Corporate Media Centers, Sports organizations, Government & institutions, University & Colleges
<b>LSP market pillar</b>	<b>LSP</b> – Live Service Providers Revenue from customers leveraging EVS products and solutions to serve “LAB customers” This market pillar covers the following types of customers: Rental & facilities companies, Production companies, Freelance operators, Technology partners & system integrators buying for their own purpose

<b>BER market pillar</b>	<b>BER – Big Event Rental</b> Revenue from major non-yearly big event rental. This market pillar covers the following types of customers: host broadcasters for major events.
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In case of discrepancies between the English and the French Version, the English Version prevails.

## Conference call

EVS will hold a conference call in English today at 3.30 pm CET for financial analysts and institutional investors. Other interested parties may join the call in a listen-only mode. The presentation used during the conference call will be available shortly before the call on the EVS website.

Participants must register for the conference using the link provided below. Upon registering, each participant will be provided with Participant Dial In Numbers, Direct Event Passcode and unique Registrant ID.

1. **Online registration:** <https://register.vevent.com/register/B1e156e14a79604a6984c8fb06a38e3c27>
2. **Webcast Player URL:** <https://edge.media-server.com/mmc/p/lyzt4d6v8>

## Corporate Calendar

**May 16th, 2023:** General Assembly

**May 17th, 2023:** Q1 2023 Trading update

**August 18th, 2023:** H1 2023 results

**November 17th, 2023:** Q3 2023 Trading update

## For more information, please contact:

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## Forward Looking Statements

This press release contains forward-looking statements with respect to the business, financial condition, and results of operations of EVS and its affiliates. These statements are based on the current expectations or beliefs of EVS's management and are subject to a number of risks and uncertainties that could cause actual results or performance of the company to differ materially from those contemplated in such forward-looking statements. These risks and uncertainties relate to changes in technology and market requirements, the company's concentration on one industry, decline in demand for the company's products and those of its affiliates, inability to timely develop and introduce new technologies, products and applications, and loss of market share and pressure on pricing resulting from competition which could cause the actual results or performance of the company to differ materially from those contemplated in such forward-looking statements. EVS undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

## About EVS

EVS is globally recognized as leader in live video technology for broadcast and new media productions. Our passion and purpose are to help our clients craft immersive stories that trigger the best return on emotion. Through a wide range of





products and solutions, we deliver the most gripping live sports images, buzzing entertainment shows and breaking news content to billions of viewers every day – and in real-time.

The company is headquartered in Belgium with around 620 employees in offices in Europe, the Middle East, Asia and North America, and provides sales and technical support to more than 100 countries. EVS is a public company traded on Euronext Brussels: EVS, ISIN: BE0003820371. For more information, please visit [www.evs.com](http://www.evs.com).



# Condensed Interim Consolidated financial information

## ANNEX 1: condensed consolidated income statement

(EUR thousands)	Notes	FY22	FY21	2H22	2H21
Revenue	5.3	148.158	137.578	80.486	75.799
Cost of sales		-49.314	-41.764	-27.473	-22.543
<b>Gross profit</b>		<b>98.844</b>	<b>95.814</b>	<b>53.013</b>	<b>53.256</b>
<b>Gross margin %</b>		<b>66,7%</b>	<b>69,6%</b>	<b>65,9%</b>	<b>70,3%</b>
Selling and administrative expenses		-39.815	-32.392	-22.532	-17.555
Research and development expenses		-26.267	-27.088	-14.368	-14.867
Other income		200	1.108	150	1.057
Other expenses		-607	-114	-121	-71
Profit-sharing plan and warrants		-643	-232	-169	-107
<b>Operating profit (EBIT)</b>		<b>31.712</b>	<b>37.096</b>	<b>15.973</b>	<b>21.713</b>
<b>Operating margin (EBIT) %</b>		<b>21,4%</b>	<b>27,0%</b>	<b>19,8%</b>	<b>28,6%</b>
Interest revenue on loans and deposits		106	51	76	-17
Interest charges		-912	-893	-439	-446
Other net financial income / (expenses)	5.6	1.793	1.254	-146	932
Share in the result of the enterprise accounted for using the equity method		67	193	-10	-20
<b>Profit before taxes (PBT)</b>		<b>32.766</b>	<b>37.701</b>	<b>15.454</b>	<b>22.162</b>
Income taxes	5.7	-1.422	-2.797	442	-2.853
<b>Net profit</b>		<b>31.344</b>	<b>34.904</b>	<b>15.896</b>	<b>19.309</b>
Attributable to :					
Non-controlling interest		-	-	-	-
<b>Share of the Group</b>		<b>31.344</b>	<b>34.904</b>	<b>15.896</b>	<b>19.309</b>

<b>EARNINGS PER SHARE</b> (in number of shares and in EUR)	FY22	FY21	2H22	2H21
Weighted average number of subscribed shares for the period less treasury shares	13.411.972	13.400.624	13.419.010	13.401.884
Weighted average fully diluted number of shares	13.681.084	13.587.624	13.768.895	13.588.884
<b>Basic earnings – share of the Group</b>	<b>2,34</b>	<b>2,60</b>	<b>1,19</b>	<b>1,44</b>
<b>Fully diluted earnings – share of the Group <sup>(1)</sup></b>	<b>2,29</b>	<b>2,57</b>	<b>1,14</b>	<b>1,42</b>

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b> (EUR thousands)	FY22	FY21	2H22	2H21
<b>Net profit</b>	<b>31.344</b>	<b>34.904</b>	<b>15.896</b>	<b>19.309</b>
<b>Other comprehensive income of the period</b>				
Currency translation differences	324	475	-231	276
<b>Total of recyclable elements</b>	<b>324</b>	<b>475</b>	<b>-231</b>	<b>276</b>
Difference on opening	460	-	460	-
Gains / (losses) on remeasurement of defined benefit obligations, net of tax	1.373	-412	440	-412
<b>Total of non-recyclable elements, net of tax</b>	<b>1.833</b>	<b>-412</b>	<b>900</b>	<b>-412</b>
<b>Total other comprehensive income of the period, net of tax</b>	<b>2.157</b>	<b>63</b>	<b>669</b>	<b>-136</b>
<b>Total comprehensive income for the period</b>	<b>33.501</b>	<b>34.967</b>	<b>16.565</b>	<b>19.173</b>
Attributable to :				
Non controlling interest	-	-	-	-
<b>Share of the Group</b>	<b>33.501</b>	<b>34.967</b>	<b>16.565</b>	<b>19.173</b>

(1) The diluted earnings per share does include:

- 187.000 warrants attributed in October 2020, of which 154.250 are outstanding with an exercise price below the share price and with maturity in October 2026;
- 158.600 warrants attributed in June 2021, of which 155.350 are outstanding with an exercise price below the share price and with maturity in June 2027; and
- 183.375 warrants attributed in September 2022, all outstanding and with a maturity in September 2028.

## ANNEX 2: condensed statement of financial position (balance sheet)

ASSETS (EUR thousands)	Notes	Dec 31, 2022	Dec 31, 2021
<b>Non-current assets:</b>			
Goodwill		2.832	2.832
Other intangible assets	5.10	13.215	6.113
Lands and buildings	5.11	50.543	52.673
Other tangible assets	5.11	4.691	4.307
Investment accounted for using equity method		1.922	1.920
Other amounts receivables		3.647	2.408
Deferred tax assets		4.622	5.933
Financial assets		512	404
<b>Total non-current assets</b>		<b>81.984</b>	<b>76.590</b>
<b>Current assets:</b>			
Inventories		28.786	25.951
Trade receivables		61.655	38.924
Other amounts receivable, deferred charges and accrued income		11.566	6.417
Financial assets		174	201
Cash and cash equivalents		49.051	72.144
<b>Total current assets</b>		<b>151.232</b>	<b>143.637</b>
<b>Total assets</b>		<b>233.216</b>	<b>220.227</b>
<b>EQUITY AND LIABILITIES (EUR thousands)</b>			
	Notes	Dec 31, 2022	Dec 31, 2021
<b>Equity:</b>			
<b>Capital</b>		<b>8.772</b>	<b>8.772</b>
Reserves		183.390	170.570
Treasury shares		-17.447	-17.776
<b>Total consolidated reserves</b>		<b>165.943</b>	<b>152.794</b>
Translation differences		1.075	751
<b>Equity, attributable to the owners of the parent</b>		<b>175.790</b>	<b>162.317</b>
<b>Non-controlling interest</b>		<b>-</b>	<b>-</b>
<b>Total equity</b>	5.4	<b>175.790</b>	<b>162.317</b>
<b>Non-current liabilities</b>			
Provisions		1.637	1.502
Deferred taxes liabilities		10	11
Financial debts	5.12	11.528	13.554
Other debts	5.13	120	1.825
<b>Total non-current liabilities</b>		<b>13.295</b>	<b>16.892</b>
<b>Current liabilities</b>			
Financial debts	5.12	3.750	3.728
Trade payables		9.207	10.497
Amounts payable regarding remuneration and social security		11.219	10.658
Income tax payable		1.959	2.586
Other amounts payable, advances received, accrued charges and deferred income	5.6	17.996	13.549
<b>Total current liabilities</b>		<b>44.131</b>	<b>41.018</b>
<b>Total equity and liabilities</b>		<b>233.216</b>	<b>220.227</b>

## ANNEX 3: condensed statement of cash flows

(EUR thousands)	Notes	FY22	FY21
<b>Cash flows from operating activities</b>			
<b>Net profit, share of the Group</b>		<b>31.344</b>	<b>34.904</b>
<b>Adjustment for:</b>			
- Depreciation and write-offs on fixed assets		6.738	7.015
- Profit-sharing plan and warrants	5.4	642	232
- Provisions		212	417
- Income tax expense (+) / Income (-)		1.422	2.797
- Net financial expense (+) / income (-)		-987	-412
- Share of the result of entities accounted for under the equity method		-67	-193
<b>Adjustment for changes in working capital items:</b>			
- Inventories		-2.834	-3.372
- Trade receivables		-23.970	-10.061
- Other amounts receivable, deferred charges and accrued income		-3.889	-430
- Trade payables		-1.290	4.722
- Amounts payable regarding remuneration and social security		541	3.653
- Other amounts payable, advances received, accrued charges, and deferred income		4.776	-263
- Conversion differences		803	813
<i>Cash generated from operations</i>		<i>13.441</i>	<i>39.822</i>
Income taxes received / (paid)	5.7	-2.469	-1.112
<b>Net cash from operating activities</b>		<b>10.972</b>	<b>38.710</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		-8.770	-234
Purchase of tangible assets (lands and building and other tangible assets)		-1.101	-1.357
Other financial assets		-102	3
<b>Net cash used in investing activities</b>		<b>-9.973</b>	<b>-1.588</b>
<b>Cash flows from financing activities</b>			
Reimbursement of borrowings	5.12	-1.095	-1.086
Payment of lease liabilities		-2.828	-3.417
Interests paid		-688	-566
Interests received		75	13
Dividend received from investee		64	-
Dividend paid		-20.112	-13.400
<b>Net cash used in financing activities</b>		<b>-24.584</b>	<b>-18.456</b>
<b>Net increase / decrease in cash and cash equivalents</b>		<b>-23.585</b>	<b>18.666</b>
<b>Net foreign exchange difference</b>		<b>492</b>	<b>810</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>72.144</b>	<b>52.668</b>
<b>Cash and cash equivalents at end of period</b>		<b>49.051</b>	<b>72.144</b>

## ANNEX 4: condensed statement of change in equity

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, share of the Group	Non-controlling interest	Total equity
<b>Balance as per January 1, 2021</b>	<b>8.772</b>	<b>149.309</b>	<b>-17.835</b>	<b>276</b>	<b>140.522</b>	<b>-</b>	<b>140.522</b>
Profit or loss		34.904			34.904		34.904
Other comprehensive income		-412		475	63		63
<b>Total comprehensive income for the period</b>		<b>34.492</b>		<b>475</b>	<b>34.967</b>		<b>34.967</b>
Share-based payments		232			232		232
Operations with treasury shares			59		59		59
Final dividend		-6.699			-6.699		-6.699
Interim dividend		-6.701			-6.701		-6.701
Other allocation		-63			-63		-63
<b>Balance as per December 31, 2021</b>	<b>8.772</b>	<b>170.570</b>	<b>-17.776</b>	<b>751</b>	<b>162.317</b>	<b>-</b>	<b>162.317</b>

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, share of the Group	Non-controlling interest	Total equity
<b>Balance as per January 1, 2022</b>	<b>8.772</b>	<b>170.570</b>	<b>-17.776</b>	<b>751</b>	<b>162.317</b>	<b>-</b>	<b>162.317</b>
Profit or loss		31.344			31.344		31.344
Other comprehensive income		1.833		324	2.157		2.157
<b>Total comprehensive income for the period</b>		<b>33.117</b>		<b>324</b>	<b>33.501</b>		<b>33.501</b>
Share-based payments		581			581		581
Operations with treasury shares		-329	329		-		-
Final dividend		-13.402			-13.402		-13.402
Interim dividend		-6.710			-6.710		-6.710
Other allocation		-497			-497		-497
<b>Balance as per December 31, 2022</b>	<b>8.772</b>	<b>183.390</b>	<b>-17.447</b>	<b>1.075</b>	<b>175.790</b>	<b>-</b>	<b>175.790</b>

## ANNEX 5: notes to the consolidated financial statements

### NOTE 5.1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of EVS Group for the 12 month-period ended December 31, 2022, are established and presented in accordance with the International Financial Reporting Standards (IFRS), as adopted for use in the European Union. The accounting framework and standards adopted by the European Commission can be accessed through the following link on the website: [http://ec.europa.eu/finance/company-reporting/index\\_en.htm](http://ec.europa.eu/finance/company-reporting/index_en.htm).

The condensed interim financial statements of the Group for the 12 month-period ending December 31, 2022, were authorized for issue by the Board of Directors on February 16, 2023. This interim report only provides an explanation of events and transactions that are significant to an understanding of the changes in financial position and reporting since the last annual reporting period and should therefore be read in conjunction with the full 2022 consolidated financial statements from which these condensed financial statements have been derived and which are planned to be published on EVS Group's website by April 14, 2023. The interim condensed financial statements are prepared on a going concern basis.

### NOTE 5.2.1: SIGNIFICANT ACCOUNTING POLICIES AND METHODS

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by the IASB, and as adopted by the EU. The accounting policies and methods adopted for the preparation of the company's IFRS consolidated financial statements are consistent with those applied in the 2021 consolidated financial statements. The company's IFRS accounting policies and methods are available in the 2021 annual report on [www.evs.com](http://www.evs.com), except for the accounting policy on intangible assets which include the capitalization of development cost for the first time (see note 5.10) as well as the new, amended or revised IFRS standards and IFRIC Interpretations that have been in effect since January 1, 2022. The adoption of these new, amended or revised pronouncements did not have a significant impact on the consolidated financial statements of the Group.

### NOTE 5.2.2: JUDGMENTS AND ESTIMATES

- **Impacts of current market volatility and macroeconomic developments**

The impacts of the current market volatility and macroeconomic developments were taken into account by the company to assess potential effects on EVS's financial performance and the valuation of its assets and liabilities. In particular, key assumptions used in the calculation of the pension obligations have been reviewed to ensure a proper valuation as per 31 December 2022. Also, the key assumptions that are used for estimating the recoverable amounts of cash generating units in the context of goodwill impairment test reflect latest market conditions for interest rates and weighted average cost of capital

- **Estimation of useful life and residual value**

Property, Plant and Equipment are depreciated using a straight-line method to allocate their depreciable amount on a systematic basis over their useful life. For the headquarter building in Liège, the depreciable amount is the cost less its estimated residual value. Useful life and residual value of an asset is estimated on a realistic basis based on the experience of the Group with similar assets and reviewed on a regular basis. The effect of changes in useful life are recognized prospectively.

- **Functional currency of the Group entities**

The individual financial statements of each subsidiary are prepared in the currency of the primary economic environment in which the entity operates. When the factors set out by IAS 21 to determine the functional currency are mixed and the functional currency is not obvious, management judgment is used to determine which functional currency most faithfully represents the economic effects of its underlying transactions, events and conditions. The functional currency of the EVS Group entities is EUR except for the US entity EVS Inc. for which US Dollar is assessed by management to be the functional currency.

- **Claims and contingent liabilities**

Related to claims and contingencies, judgement is necessary in assessing the existence of an obligation resulting from a past event, in assessing the probability of an economic outflow, and in quantifying the probable outcome of economic



resources. This judgment is reviewed when new information becomes available and often with support of internal and external expert advice.

- **Impact of the war in Ukraine on our activities**

Given the nature and location of its operations and the fact that EVS does not currently have activities in Russia nor in Ukraine or with Russian companies, The Company does not foresee a direct impact of the Ukrainian conflict on its business.

### NOTE 5.3: SEGMENT REPORTING

From an operational point of view, the company is vertically integrated with the majority of its staff located in the headquarters in Belgium, including the R&D, production, marketing and administration departments. Therefore the majority of investments and costs are located at the level of the Belgian parent company. Resources securing the customer facing interactions such as sales, operations and support profiles are primarily hired within the respective regions. The foreign subsidiaries are primarily sales and representative offices. The Chief Operating Decision Maker, being the Executive Committee, reviews the operating results, operating plans, and makes resource allocation decisions on a company-wide basis. Revenue related to products of the same nature (digital broadcast production equipment) are realized by commercial polyvalent teams. The company's internal reporting is the reflection of the above-mentioned operational organization and is characterized by the strong integration of the activities of the company.

By consequence, the company is composed of one segment according to the IFRS 8 definition, and the consolidated income statement of the Group reflects this unique segment. All long-term assets are located in the parent company EVS Broadcast Equipment SA in Belgium.

The company provides one class of business defined as solutions based on tapeless workflows with a consistent modular architecture. There are no other significant classes of business, either singularly or in aggregate. Identical modules can meet the needs of different markets, and our customers themselves are often multi-markets. Providing information for each module is therefore not relevant for EVS.

At the geographical level, our activities are divided into the following regions: Asia-Pacific ("APAC"), Europe, Middle East and Africa ("EMEA"), and America ("NALA"). This division follows the organization of the commercial and support services within the Group, which operates worldwide. A fourth region is dedicated to the worldwide events ("big event rentals").

The company provides additional information with a presentation of the revenue by market pillar: "Live Service provider", "Live Audience Business" and "Big Event Rentals" for rental contracts relating to the big sporting events.

Finally, sales are presented by nature: systems and services.

#### 5.3.1. INFORMATION ON REVENUE BY DESTINATION

Revenue can be presented by Market Pillar: "Live Service provider", "Live Audience Business" and "Big event rentals". Maintenance and after sale service are included in the complete solution proposed to the clients.

Revenue (EUR thousands)	2H22	2H21	% 2H22/2H21
Live Audience Business	45.147	42.986	5,0%
Live Service Provider	31.151	23.888	30,4%
Big event rentals	4.187	9.021	-53,6%
<b>Total Revenue</b>	<b>80.486</b>	<b>75.894</b>	<b>6,0%</b>

Revenue (EUR thousands)	FY22	FY21	% FY22/FY21
Live Audience Business	71.438	72.259	-1,1%
Live Service Provider	66.869	51.785	29,1%
Big event rentals	9.850	13.534	-27,2%
<b>Total Revenue</b>	<b>148.158</b>	<b>137.578</b>	<b>7,7%</b>

### 5.3.2. INFORMATION ON REVENUE BY GEOGRAPHICAL AREA

Activities are divided in three regions: Asia-Pacific (“APAC”), Europe, Middle East and Africa (“EMEA”), and “Americas”. Aside of them, we also identify the “big event rentals”.

Revenue for the YTD period (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event rentals	TOTAL
<b>2H22 revenue</b>	11.278	39.107	25.914	4.187	80.486
<b>Evolution versus 2H21 (%)</b>	-15,8%	23,4%	19,4%	-53,9%	6,0%
Variation versus 2H21 (%) at constant currency	-15,8%	23,4%	-7,2%	-53,9%	-1,6%
<b>2H21 revenue</b>	<b>13.401</b>	<b>31.696</b>	<b>21.706</b>	<b>9.021</b>	<b>75.894</b>

Revenue for the YTD period (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event rentals	TOTAL
<b>FY22 revenue</b>	18.952	67.764	51.592	9.850	148.158
<b>Evolution versus FY21 (%)</b>	-17,9%	6,8%	37,6%	-27,2%	7,7%
Variation versus FY21 (%) at constant currency	-17,9%	6,8%	22,2%	-27,2%	3,5%
<b>FY21 revenue</b>	<b>23.077</b>	<b>63.468</b>	<b>37.499</b>	<b>13.534</b>	<b>137.578</b>

Revenue realized in Belgium (the country of origin of the company) with external clients represent less than 5% of the total revenue for the period. In the last 12 months, the Group realized significant revenue with external clients (according to the definition of IFRS 8) in one country: The United States (Americas), EUR 38,1 million in the last 12 months.

### 5.3.3. INFORMATION ON REVENUE BY NATURE

Revenue can be presented by nature: systems and services.

Revenue (EUR thousands)	2H22	2H21	% 2H22/ 2H21
Sale of Equipment	64.226	58.524	10,3%
Other services	16.259	17.610	-7,7%
<b>Total Revenue</b>	<b>80.486</b>	<b>75.894</b>	<b>6,0%</b>

Revenue (EUR thousands)	FY22	FY21	% FY22/ FY21
Sale of Equipment	118.015	106.416	10,9%
Other services	30.142	31.162	-3,3%
<b>Total Revenue</b>	<b>148.158</b>	<b>137.578</b>	<b>7,7%</b>

Other services include the advice, installations, project management, rentals, training, maintenance, and distant support. Work in progress ("WIP") contracts are included in both categories.

### 5.3.4. INFORMATION ON IMPORTANT CLIENTS

Over the last 12 months, no external client of the company represented more than 10% of the revenue (similar in 2021).

### NOTE 5.4: EQUITY SECURITIES

The variance in number of treasury shares and outstanding warrants in the period is as follows:

	2022	2021
<b>Number of own shares at January 1</b>	<b>925.140</b>	<b>928.207</b>
Acquisition of own shares on the market	-	-
Sale of own shares on the market	-	-
Allocation to Employees Profit Sharing Plans	-17.126	-3.067
Sale related to Employee Stock Option Plan (ESOP) and other transactions	-	-
<b>Number of own shares at December 31</b>	<b>908.014</b>	<b>925.140</b>
<b>Outstanding warrants at December 31</b>	<b>492.975</b>	<b>456.432</b>

In 2022, the Group did not repurchase own shares on the stock market. No shares were used to satisfy the exercise of warrants by employees.

The Ordinary General Meeting of shareholders of May 17, 2022 approved the allocation of 17.126 shares to EVS employees (grant of 56 shares to each staff member in proportion to their effective or assimilated time of occupation in 2021) as a reward for their contribution to the Group successes. The expense recorded in the consolidated income statement amounts to EUR 329k in 2022.

## NOTE 5.5: DIVIDENDS

The Ordinary General Meeting of May 17, 2022, approved the payment of a total gross dividend of EUR 1.50 per share for the year 2021, which includes EUR 0.50 per share exceptional dividend to honor past commitments on dividend payout.

For the year 2022, an interim dividend of EUR 0.50 per share was paid in November 2022. Full year dividend of EUR 1,60 per share will be proposed to the Ordinary General Meeting of shareholders, which also includes EUR 0.50 per share exceptional dividend to honor past commitments on dividend payout.

(EUR thousands, gross)	# Coupon	Declaration date	2022	2021
- Final dividend for 2020 (EUR 0,50 per share excl. treasury shares)	30	May 2021	-	6.699
- Interim dividend for 2021 (EUR 0,50 per share excl. treasury shares)	31	Nov. 2021	-	6.701
- Final dividend for 2021 (incl. exceptional dividend) (EUR 1,00 per share excl. treasury shares)	32	May 2022	13.402	
- Interim dividend for 2022 (EUR 0,50 per share excl. treasury shares)	33	Nov. 2022	6.710	
<b>Total paid dividends</b>			<b>20.112</b>	<b>13.400</b>

A new dividend guidance for upcoming years has been issued early 2022 and is as follows\*:

In € per share per fiscal year	2022	2023	2024
Base dividend	1,10	1,10	1,10
Exceptional additional dividend	0,50	0,00	0,00
<b>Total dividend</b>	<b>1,60</b>	<b>1,10</b>	<b>1,10</b>

\*subject to market conditions and to the approval of the Ordinary General Meeting of Shareholders

## NOTE 5.6: OTHER NET FINANCIAL INCOME / (EXPENSES)

(EUR thousands)	FY22	FY21
- Exchange results	1.393	1.117
- Fair value variation of financial instruments	324	-7
- Other financial results	76	144
<b>Other net financial income / (expenses)</b>	<b>1.793</b>	<b>1.254</b>

The functional currency of EVS Broadcast Equipment SA as well as all subsidiaries is the Euro, except for EVS Inc. subsidiary in the USA whose functional currency is the US dollar. Entity Axon Digital Design LTD. in the UK changed functional currency from GBP to EUR starting as of July 1<sup>st</sup> 2022, following updated Management assessment driven by new implementation of EUR invoicing at the affiliate. The presentation currency of the consolidated financial statements of EVS Group is the Euro. For more information on exchange rates, see also the note 5.9. The favourable exchange result is mainly explained by the appreciation of USD vs. EUR in the period.

The estimated fair values of the financial assets and liabilities are equal to their fair book values in the balance sheet.

Since 2022, EVS systematically measures the Group's anticipated exposure to transactional exchange risk, mainly relating to the EUR/USD risk. Given the Group has a long position in USD and based on revenue forecasts, EVS hedges future USD net inflows through forward or option foreign exchange contracts. The change in the fair value of the foreign exchange contracts is recorded directly to the income statement since the Group does not apply hedge accounting on

these transactions. The valuation techniques used are mainly based on spot rates, forward rates and interest rate curves.

On December 31, 2022, the Group holds EUR/USD FX forward and option contracts for a total notional amount of USD 34,0 million with monthly maturities between January 2023 and June 2024. The fair value of those financial instruments on December 31, 2022 amounts to EUR 0,3 million.

### NOTE 5.7: INCOME TAX EXPENSE

(EUR thousands)	FY22	FY21
- Current tax expense	-569	-1.245
- Deferred tax expense	-853	-1.552
<b>Income tax expense</b>	<b>-1.422</b>	<b>-2.797</b>

Income tax expense amounts to EUR 1,4 million for the full year 2022, compared to EUR 2,8 million in 2021. The decrease is mainly explained by lower taxable profit, tax relief of EUR 0,6 million received in December 2022 and decrease of the deferred tax expenses due to lower consumption of recoverable tax latencies (EUR 1,2 million in 2022 compared to 8,6 million in 2021).

The effective tax rate for the period ended on December 31, 2022 is 4,3%, compared to 7,5% in 2021.

### NOTE 5.8: HEADCOUNT

(in full time equivalents)	At December 31
2022	613
2021	551
Variation	+62

### NOTE 5.9: EXCHANGE RATES

The main exchange rates that influence the consolidated financial accounts are USD/EUR and GBP/EUR which were considered as follows:

Exchange rate USD/EUR	Average FY	At December 31
2022	1,0537	1,0666
2021	1,1830	1,1326
Variation	-10,9%	-5,8%

Exchange rate GBP/EUR	Average FY	At December 31
2022	0,8527	0,8869
2021	0,8599	0,8403
Variation	-0,7%	5,5%

## NOTE 5.10: INTANGIBLE ASSETS

During 2022, intangible assets increased by EUR 7,1 million due to capitalization of internal development costs of EUR 8,4 million less depreciations of EUR 1,3 million.

The capitalized costs during 2022 include mainly the internal personnel costs and external consultants' costs. These costs are only related to the development phase of 2 important projects that should secure future growth for EVS.

At the beginning of the period, the Group identified internal development projects, that for the first time of EVS Broadcast Equipment's history fulfilled all the conditions to be capitalized according to IAS 38 Intangible assets. This ability arises after the implementation of extensive business cases, where R&D together with the solutions and sales departments perform an end-to-end exercise whereby objectives, costs, market analysis and return are clearly identified.

These internal development projects consist of software that will be commercialized at the end of the development period (expected return on investment is scheduled for 2024). These 2 projects complement the PLAYForward strategy of the Group. The progress of these internal developments is monitored frequently as to ensure the future economic benefit remains assured.

We refer to H1 2022 press release for the update of the accounting policy 2.11 related to the intangible assets applicable as of fiscal year 2022 and that replaces the accounting policy disclosed in 2021 annual report.

## NOTE 5.11: TANGIBLE ASSETS

The decrease of lands and buildings of EUR -2,1 million during 2022 is mainly explained by the depreciation of the period partially offset by investments in progress of EUR 0,5 million. The increase in other tangible assets of EUR 0,4 million is mainly driven by investments in office and IT equipment of EUR 1,1 million, net of the depreciation of the year of EUR 0,7 million.

## NOTE 5.12: FINANCIAL LIABILITIES

(EUR thousands)	2022	2021
<b>Long term financial debts</b>		
Bank loans	1.675	2.779
Long term lease liabilities	9.853	10.775
<b>Amount due within 12 months (shown under current liabilities)</b>		
Bank loans	1.105	1.095
Short term lease liabilities	2.645	2.633
<b>Total financial debt (short and long-term)</b>	<b>15.278</b>	<b>17.282</b>
<b>The total financial debt is repayable as follows:</b>		
- within one year	3.750	3.728
- after one year but no more than five	8.676	9.673
- more than five years	2.852	3.881

In June 2020, a loan of EUR 5,5 million was put in place with BNP Paribas Fortis to partially finance the acquisition of Axon. The repayment schedule foresees first repayment of EUR 0,6 million in 2020 and annual installments of EUR 1,1 million between 2021 and 2024, with final repayment of EUR 0,6 million in 2025 at loan maturity.

For full year 2022, lease liabilities variation includes repayment of EUR 2,5 million, excluding interest of EUR 0,4 million.

In June 2020, a roll over credit line of EUR 5,0 million was put in place with Belfius bank to partially finance the acquisition of Axon. This amortizing credit line will end at the latest on 30/06/2025. As of this date, EVS has not used this credit facility.



**NOTE 5.13: OTHER LIABILITIES - PENSION**

Other long-term liabilities mainly correspond to pension obligations. Changes recorded in 2022 in the Belgian pension defined benefit obligation and fair value of plan assets were as follows:

(EUR thousands)	2022			2021		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
<b>As of January 1</b>	<b>10.587</b>	<b>-8.762</b>	<b>1.825</b>	<b>8.670</b>	<b>-7.686</b>	<b>984</b>
Service cost	1.156		1.156	1.398		1.398
Administrative costs		28	28		18	18
Net interest expenses	120	-106	14	41	-38	3
<b>Sub-total included in profit or loss</b>	<b>1.276</b>	<b>-78</b>	<b>1.198</b>	<b>1.439</b>	<b>-20</b>	<b>1.419</b>
Benefits paid	-179	179	0	-141	141	0
Return on plan assets		-153	-153		-106	-106
Actuarial changes (assumptions) of which:						
<i>Arising from changes in demographic assumptions</i>	235		235			0
<i>Arising from changes in financial assumptions</i>	-1.349		-1.349	-1.172		-1.172
<i>Arising from experience adjustments</i>	-367	-350	-717	1.791	-69	1.722
<b>Sub-total included in OCI</b>	<b>-1.481</b>	<b>-350</b>	<b>-1.831</b>	<b>619</b>	<b>-69</b>	<b>550</b>
Contributions by employer		-1.078	-1.078		-1.128	-1.128
<b>As of December 31</b>	<b>10.203</b>	<b>-10.089</b>	<b>114</b>	<b>10.587</b>	<b>-8.762</b>	<b>1.825</b>

The decrease in the net defined benefit liability of EUR -1,7 million is mainly driven by actuarial changes included in OCI arising from changes in financial assumptions of EUR -1,3 million (mainly increase in discount rate from 1,15% to 3,80%) and from experience adjustments of EUR -0,7 million, combined with employer contributions in the period of EUR -1,1 million and partially offset by service cost recorded in income statement of EUR 1,2 million.

The main assumptions used for the actuarial valuation are as follows:

- Salary increase for financial year 2022 of 14,5% (5,7% in 2021)
- Discount rate p.a. of 3,8% (1,15% in 2021)
- Long term salary increase (inflation included) p.a. of 2,4% (2,1% in 2021)

## **NOTE 5.14: FINANCIAL RISK MANAGEMENT POLICIES**

The Group enters into derivative transactions, principally forward and option currency contracts, with the purpose to secure its sales and purchases in foreign currencies against negative variations of these currencies. The Group has transactional currency exposure arising from sales or purchases by operating entities in currencies other than the Group's functional currency. Foreign currency risk is described in note 5.14.1.

The Group's main financial instruments, other than derivatives, comprise bank loans, finance leases, cash and short-term deposits. The purpose of these financial instruments is to raise finance for the Group's operations. The Group has other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The Group's policy is, and has always been, that no trading in financial instruments shall be undertaken. Credit risk is described in note 5.14.2.

### **5.14.1 FOREIGN CURRENCY RISK**

Since 2022, EVS systematically measures the Group's anticipated exposure to transactional exchange risk over six to eighteen months. In its current structure, the Group's exposure is mainly linked to the EUR/USD risk. The Group invoices all clients in Euro, except in the United States where invoices are denominated in USD. Since the majority of operating expenses are denominated in Euro, the Group has a long position in USD, i.e. all of the Group's activities generate globally a positive net cash flow in USD.

On the basis of the forecasts and according to the market conditions, the Group hedges a portion of the exchange rate risk on estimated net future flows, mainly through foreign exchange forward and option contracts. EVS does not apply hedge accounting according to IAS 39 for those transactions.

Foreign exchange contracts are revalued at each closing date at their market value. The generated exchange rate profit or loss is recorded in the "Other net financial income/(charges)" account in the consolidated income statement. The valuation techniques used are mainly based on spot rates, forward rates and interest rate curves. Details of fair value at closing date are presented in note 5.6.

### **5.14.2 CREDIT RISK**

Credit exposure is controlled and reviewed regularly by the management.

Trade receivables consist of a large number of customers, spread across many geographical areas. The evolution of the credit risk is monitored permanently. As of December 31, 2022, it is assumed that the carrying amounts of those trade receivables are the most appropriate estimate to the fair value of those assets.

The credit risk on financial instruments is contained as it is spread over a selection of different counterparties which are financial institutions with high credit ratings assigned by international credit rating agencies.

As of December 31, 2022, the maximum amount the Group could have to pay if guarantees are called on is EUR 0,8 million (similar to EUR 0,8 million in December 2021).

## **NOTE 5.15: SUBSEQUENT EVENTS**

There are no subsequent events that may have a material impact on the condensed financial statements of the Group.

## **NOTE 5.16: RISK AND UNCERTAINTIES**

Investing in the stock of EVS involves risks and uncertainties. The risks and uncertainties relating to the current year are similar to the risks and uncertainties that have been identified by the management of the company and that are listed in the management report of the annual report (available at [www.evs.com](http://www.evs.com)).

In terms of new risks arising since the last annual report we highlight the macro-economic environment that drives energy prices, components prices and labour cost to higher levels. EVS closely monitors the developments in this area and pro-actively takes actions to keep these rising costs under control or to minimize their effect on the profitability of the

company. We also reiterate the potential impacts following the war in Ukraine. The company continues to comply with the sanction screening in vigor.

## Certification of responsible persons

**Serge Van Herck, CEO\***  
**Veerle De Wit, CFO\***

Certify that, based on their knowledge,

- a) the condensed financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, fairly present in all material respects the financial condition and results of operations of the issuer and the companies included in the consolidation,
- b) the Directors' report fairly presents the important events and related parties transactions of 2022, including their impact on the condensed financial statements, and a description of the existing risks and uncertainties for the remaining months of the fiscal year.

\* acting on behalf of a BV

## External Auditor

The condensed consolidated financial statements of EVS Broadcast SA for the year ending December 31, 2022 were authorized of issue in accordance with a resolution of the Board of Directors on February 16, 2023. EY réviseurs d'Entreprises represented by Carlo-Sébastien d'Addario has confirmed that their audit procedures, which have been substantially completed, have not revealed any material adjustments which would have to be made to the accounting information included in this press release. The complete audit report related to the audit of the consolidated financial statements will be shown in 2022 annual report that will be published in April 2023.