Publication on August 25, 2022, before market opening
Regulated and inside information – Press release first half 2022 results
EVS Broadcast Equipment S.A.: Euronext Brussels (EVS.BR), Bloomberg (EVS BB), Reuters (EVSB.BR)

EVS reports first half 2022 results

Liège, Belgium, August 25th, 2022

Growth mode continues resulting in an upgraded guidance

The results of the 1st half of 2022 are fully supporting the growth trajectory that EVS is on. The fundamentals are all strong: a record-high order intake, a historical revenue, accompanied by a strong operating profit,

For the sake of clarity, this press release does not include the 10-year contract worth more than USD 50 million, that was signed in August 2022 and announced to the market on August 19th, 2022.

H1 Financial performance

- Record order intake of EUR 88.7 million
- Revenue in the first six months of the year, amounts to EUR 67,7 million, + 9% YoY.
  - BER revenue is of EUR 5,7 million, growing EUR 1,2 million in comparison to 1H21.
  - Revenue excluding BER is at EUR 62.0 million growing EUR 4,7 million compared to the same period last year.
- Gross margin is growing with EUR 3.3 million compared to 1H21, though the overall gross margin percentage is eroding with 1,2Pts. This erosion is primarily the consequence of investments in additional resources to ensure quality support for our growing topline.
- Net profit amounts to EUR 15,5 million, leading to a diluted earnings per share of EUR 1,15 (equal to 1H21 results)

Outlook

- The secured revenue is at EUR 126,4 million, growing 29% compared to 1H21
- Based on the secured revenue at end of June 2022, the revenue guidance for the full year is upgraded from EUR 125-140 million to EUR 140-150 million. This upgrade assumes a normal final production cycle of the year, without any impact of shortage in components nor any important changes linked to the pricing of components.
- The order book evolution can be summarized as following:
  - BER order book is for EUR 3,8 million, fully bookable in 2022
  - Order book excluding BER is for EUR 87,1 million, growing 70% in comparison to 1H21, of which EUR 32,2 million is for 2023 and beyond. This long-term order book is growing with 39%.
- The gross margin percentage is expected to be negatively impacted by the investments done in our operations and support organization (comparable impact to 1H22 results). The rising prices of products and inflation are well monitored and controlled through a permanent evaluation of our sales prices.
- The OPEX growth for the full year is adjusted to a range of 12-15%, as a consequence of inflation, growth investments and post-covid spending patterns.
- The 1st half results currently support our dividend guidance for the year 2022, meaning a dividend of EUR 1,1 for the full year 2022 and an exceptional dividend of EUR 0,5, leading to a total expected dividend of EUR 1,6 for the year. As a reminder, below is the guidance on dividend that EVS issued for the years 2022-2024*,**.

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
Total dividend	**1,60**	**1,10**	**1,10**

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

Key figures

EUR millions, except earnings per share expressed in EUR	Reviewed		
	1H22	1H21	1H22/1H21
Revenue	67,7	61,8	5,9
Gross profit	45,8	42,6	3,2
Gross margin %	67,7%	68.9%	-1,2%
Operating profit – EBIT	15,7	15,4	0,3
Operating margin – EBIT %	23,3%	24.9%	-1,6%
Net profit (Group share)	15,5	15,6	-0,1
Basic earnings per share (Group share)	1,15	1,16	-0,01

Comments

Serge Van Herck, CEO comments:

"I am very grateful to our customers, our team members and our channel partners for further supporting and enabling our growth mode. With H1 revenue and order intake indicators at their highest level ever, I am proud to say that our PLAYForward strategy is producing the expected results. Based on those strong H1 results, I am now more optimistic for our full year 2022 results. While we are still facing important challenges in our electronic component supply chain, we are now sufficiently confident to increase our earlier revenue guidance for 2022 of EUR 125 million to EUR 140 million to a new guidance of EUR 140 million to EUR 150 million.

Our 2 main Market Pillars (Live Service Providers and Live Audience Business) continue to show strong revenue generation. Our third Market Pillar (Big Event Rental) will also generate the expected 'big event year' results in 2022 thanks to the major winter sporting events that took place early this year, and thanks to the major sporting events that will take place in the Middle East by the end of this year.

In line with our PLAYForward strategy, we have been further increasing our sales, engineering and customer service team size in order to realize our growth ambitions. Our hiring efforts during H1 further accelerated and we have been able to hire over 70 new colleagues in various offices around the world, representing a 10+% increase of our overall team size. Our employer branding and reputation clearly helped us achieve such outstanding results.

The high and global inflation has clearly a negative impact on our BOM (bill of material) costs and on our remuneration costs. We have started compensating for the impact of those increased costs by applying price increases. We expect that we will need to continue adapting our pricing to the raising inflation.

Overall, I continue to feel cautiously optimistic about our future. While economic market conditions remain very challenging with high inflation, component shortages and with the war in Ukraine, I feel that our customers increasingly appreciate the reliability, performance and innovative edge of our solutions and services. This represents a sound basis for the future."

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

"Our results for this first semester of 2022 are very comforting and demonstrate that we are a company in growth mode. All our topline indicators support our ambition. Obviously, growth can only happen with accompanying investments: investments primarily in resources in sales, operations & support and R&D. The investments in R&D have been well controlled and modeled, allowing us to validate them as intangible assets and allowing EVS to depreciate the investment in time based on the validation of future benefits of the development of new features. Our balance sheet also remains very healthy with a very low debt level and a sound cash position. Based on these strong results, we are able to maintain our dividend policy defined earlier this year."

EVS Market Dynamics and customer wins

During the first semester, EVS delivered successfully major winter events, serving the host broadcaster, as well as hundreds of right holders, including NBC. As every year, EVS also supported its customers (facility companies and broadcasters) delivering the NFL Superbowl: one of the most watched events on earth.

The modernization projects continue to be on the agenda of our LAB customers. EVS plays a key role in the transformation and modernization of premium broadcast and media centres (representing our LAB customers) with a series of existing and new projects relying on its VIA platform and new IP-based Media Infrastructure. In this last category of solutions, EVS announced at NAB a major multi-million deal with Fox Sports US, selecting Media Infrastructure Strada flexible routing solution, as an additional proof point of the traction for the new EVS solutions and the success of the Axon integration within EVS.

We observe a decrease of revenue for LAB customers in H1 compared to the same period in 2021. Depending on the nature of the deal, some LAB projects can take more than 2 years for full revenue recognition. The revenue recognition is based on the content of the deliveries and on the work in progress. This thus depends on the pace and structure of the transformation project. There will thus be variations, even across several years, based on the mix of LAB active projects. The effect has been amplified since EVS has been successful winning very significant deals in US in late 2019 and 2020. These projects are now being finalized or entering new phases with less revenues. Based on these key market references, EVS will now initiate the transformation in other regions, resulting in more normal size projects.

Live Service Providers players continue to upgrade their portfolio of replay services to leverage the advantages of the combination of XT-VIA and LSM-VIA. With the end of support of previous generation of XT servers (XT3) nearing, we observe an acceleration of the upgrades for the LSPs both in terms of revenues and orders. As observed for previous generations, not all customers will convert before the end of support date. It also depends on the contract they sign with their customers and/or their investment cycles.

LiveCeption Pure solution continues to be deployed in smaller OB Vans and venues thanks to our Channel Partners. The new MediaInfra Strada evolutive routing solution also made its entry within IP OB Vans in North America.

New versions of solutions have been announced during H1 2022:

- Neuron supports a new application, called Neuron Protect, which fulfils the increasing demand for more secured solutions: higher level of redundancy on top of IP networks. It proves that EVS considers security as a top priority and provides new solution components to face the challenges faced by the industry. The new “Compress” version of Neuron offers new low-bitrate codec, JPEG-XS compression required for video transport in remote operations.
- With the addition of the new version of IP Core to Cerebrum, additional routing capabilities are offered making use of SDN to ensure fully secured orchestration of any IP-based video signals.
- The new version of “MediaCeption signature” offers a comprehensive set of content management applications combining advanced software and Web-based modules for even richer workflows from ingest to playout. With the RTBF deal announced in February 2022, EVS co-develops a future Flexible Control Room solution build on Cerebrum: the solution - embracing production automation - will support the broadcasters in their transformation to produce more efficiently with dynamic scaling during a production, while proposing an open solution optimized in terms of user experience for operators of all generations.
- LSM-VIA continues to evolve and integrate more and more features to ease and automate the tasks of EVS operators, offering them an environment to personalize their way of working.

On the front of electronic components availability, EVS manages to keep the balance between frictions in the supply chain and deliveries to the customer through increased, yet reliable delivery times. Until now, all orders have been shipped on time thanks to the huge efforts and the magic talents of several teams, adapting to the different combinations of components while refusing to compromise on quality.

During first semester, EVS has also been successfully strengthening the team through external hiring in order to support the expected growth, mainly in R&D and Customer Services teams to further develop the solutions and in the US to better support key customers and channel partners in the region.

NAB tradeshow was appreciated by all the industry with the opportunity to meet customers again “in real life”, engaging into fruitful conversations, and demonstrating for the first time in live situation for some customers the numerous new solutions and features proposed by EVS. The return to NAB was also special since celebrated through the NAB 2022 Best Of Show award for Neuron Protect which is the first NAB award for a Media Infrastructure product inside EVS.

At the beginning of this year, EVS also enhanced and extended the leadership team with two new members, Alex Redfern as CTO and Xavier Orri as EVP Operations & Projects, to sustain the growth path engaged by the company. Two US colleagues - James Stellpflug as SVP Customer Success NALA and David Pinkel as SVP Sales North America - have also been promoted to further strengthen and drive the EVS teams in the Americas.

Revenue in 1H22

In 1H22, EVS revenue reached EUR 67.7 million: an increase of EUR 5.9 million or 9.5% compared to 1H21.

At constant currency, revenue increased by 5.7% YoY.

Revenue – EUR millions	1H22	1H21	1H22/1H21
Total reported	67,7	61,8	9.5%
Total at constant currency	65,3	61,8	5.7%
Total at constant currency and excluding big event rentals	59,6	56,6	5.3%

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 first half of the year, (excl. Big Event Rentals) LSP represented 59% (47% in 1H21) of the revenue, LAB 41% (53% in 1H21). Comparisons to 2021 are impacted by post-COVID investments from our clients. Both LSP and LAB evolve in line with our expectations in 2022 and demonstrate the long-term growth patterns laid out in our PLAYForward strategic plan.

Geographically, revenues (excl. big event rentals) are distributed in 1H22 as follows:

- **Europe, Middle East and Africa (EMEA):** EUR 28,7 million (EUR 32.1 million in 1H21) demonstrating a minor decline compared to 1H21, though benefiting from a strong order intake in 1H21 to secure further growth potential.
- **Americas (NALA):** EUR 25.6 million (EUR 15.8 million in 1H21), underpinning the strong performance in that region since multiple quarters.
- **Asia & Pacific (APAC):** EUR 7.7 million (EUR 9.4 million in 1H21), despite the slowdown in the region following COVID implications, demonstrating only a minor decline.

First half 2022 results

Consolidated gross margin was 67.7% for 1H22, compared to 68.9% in 1H21 explained by 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. There is a minor impact on the gross profit margin, given the increased importance of MediaInfra in the overall portfolio. However, the impact of cost price increases and inflation have been well modeled by the corresponding sales price increases and do not negatively affect our gross profit margin. EVS continues to keep the balance in this area.

Operating expenses increased by 8% YoY explained by post-COVID spending patterns. There have also been significant investments in additional team members to fuel our future growth, but at the same time, EVS was able to launch an IAS38 evaluation for some R&D investments, so that the overall increase in team member costs is very limited.

The 1H22 EBIT margin was 23.3%, compared to 24.9% in 1H21: the EBIT margin is dropping primarily following investments in the past 12 months to support our growth pattern.

Income taxes are at EUR 1.9 million, compared to EUR 0.01 million last year: in 2021 EVS could still benefit from various tax latencies linked to prior years. The group net profit amounted to EUR 15,5 million in 1H22, compared to EUR 15.6 million in 1H21. Basic net profit per share amounted to EUR 1,15 in 1H22, a similar performance as in 1H21 (EUR 1,16).

Team members

At the end of June 2022, EVS employed 594 team members (FTE). This is an increase by 52 team members compared to the end of June 2021. This increase in team members reflects our continued investments in the growth of EVS. We expect only marginal increases in the remainder of the year 2022.

Balance sheet and cash flow statement

EVS continues to have a strong balance sheet with net cash position of EUR 44.2 million with low debt level (of which EUR 13.4 million related to IFRS 16) resulting in a total equity representing 74.3% of the total balance sheet as of the end of June 2022.

Other intangible assets include mainly six months internal development costs 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). Six months depreciations on intangible assets, lands and buildings (including the right of use assets) and other tangible assets reached EUR 3.4 million. Liabilities include EUR 16.8 million of financial debt (including long term and short-term portion of it), mainly related to the lease liabilities for EUR 13.4 million and borrowings for EUR 3.3 million.

Inventories amount to EUR 30.2 million and include around EUR 3.4 million value of Axon equipment.

In the liabilities, long-term provisions include the provision for technical warranty on EVS products for labor and parts. The other amounts payables include mainly customer advances received and accruals (accrued charges and deferred income)

The net cash from operating activities amounts to EUR 9.4 million end of 2Q22 compared to EUR 13.3 million end of 2Q21. On June 30, 2022, cash and cash equivalents total EUR 60.9 million. This is a decrease compared to June 2021 mainly explained by the increase of the net cash used in investing activities mainly due to the investments in tangible and intangible assets (specifically in the internal development of intangible assets) together with the increase of the net cash used in financing activities mainly due to the higher amount of final dividends distributed during 2022.

At the end of June 2022, there were 14,327,024 EVS shares outstanding, of which 908,014 were owned by the company. At the same date, 138,832 warrants were outstanding with an average exercise price of EUR 28.90 and a maturity of December 2022 together with 158,250 warrants with an average exercise price of EUR 13.69 and a maturity of October 2026 and 158,600 warrants with an average exercise price of EUR 18.21 and a maturity of June 2027.

Corporate update

During last General Assembly on May 17th, the shareholders have acknowledged the resignation of Philippe Mercelis and have 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)

2H 2022 outlook

The secured revenue on June 30, 2022 amounts to EUR 116.9 million, which is +36.9% growth compared to EUR 85.4 million of last year at the same date (excluding Big Events Rentals).

In addition to secured revenue, EVS already won EUR 32.2 million of orders to be invoiced in 2023 and beyond (no revenue for Big Event Rentals has been secured for 2023 and beyond), which represents an increase of 39.4% compared to EUR 23.1 million at the same date last year.

Thanks to this continued strong order book evolution the revenue guidance for the full year 2022 is being increased from initial guidance of EUR 125 million and EUR 140 million to a new guidance of EUR 140 million and EUR 150 million.

The gross margin percentage is expected to be negatively impacted following the investments done in the past 12 months to hire additional team members. We expect the impact caused by potential shortage and delay of component and raw material as well as the rising prices to be balanced off by the price increases modeled.

Operational expenses continue to be closely managed and EVS expects an increase between 12-15% in the full year of 2022.

Glossary

Term	Definition
Secured revenue	Revenue already recognized as well as open orders on hand that will be recognized as revenue in the fiscal year
Order book <date>	Revenues planned to be recognized after the <date> based on current orders.
LAB market pillar	**LAB** – 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
LSP market pillar	**LSP** – 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
BER market pillar	**BER** – Big Events Rental Revenue from major non-yearly big events rental. This market pillar covers the following types of customers: host broadcasters for major events.

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 CEST 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/BI11118969a28d45c7afa4a540033211d8

2. **Webcast Player URL**: https://edge.media-server.com/mmc/p/c9qib27d

Corporate Calendar

November 17th , 2022: 3Q22 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 the 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 530 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.

Condensed Interim Consolidated financial information

NOTE 1: condensed Consolidated income statement

(EUR thousands)	Annex	1H22 Reviewed	1H21 Reviewed
Revenue	5.3	67,672	61,779
Cost of sales		-21,841	-19,221
Gross profit		**45,831**	**42,558**
Gross margin %		**67,7%**	**68.9%**
Selling and administrative expenses		-17,283	-14,837
Research and development expenses		-11,899	-12,221
Other income		50	51
Other expenses		-486	-43
Profit-sharing plan and warrants		-474	-125
Operating profit (EBIT)		**15,739**	**15,383**
Operating margin (EBIT) %		**23,3%**	**24.9%**
Interest revenue on loans and deposits		30	68
Interest charges		-473	-447
Other net financial income / (expenses)	5.6	1,939	322
Share in the result of the enterprise accounted for using the equity method		77	213
Profit before taxes (PBT)		**17,312**	**15,539**
Income taxes	5.7	-1,864	56
Net profit		**15,448**	**15,595**
Attributable to :			
Non-controlling interest		-	-
Share of the group		**15,448**	**15,595**

EARNINGS PER SHARE *(in number of shares and in EUR)*	1H22 Reviewed	1H21 Reviewed
Weighted average number of subscribed shares for the period less treasury shares	13,404,817	13,399,342
Weighted average fully diluted number of shares	13,479.081	13,586,342
Basic earnings – share of the group	**1.15**	**1.16**
Fully diluted earnings – share of the group (1)	**1.15**	**1.15**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR thousands)	1H22 Reviewed	1H21 Reviewed
Net profit	**15,448**	**15,595**
Other comprehensive income of the period		
Currency translation differences	555	199
Total of recyclable elements	**555**	**199**
Gains / (losses) on remeasurement of defined benefit obligations, net of tax	933	-
Total of non-recyclable elements, net of tax	**933**	**-**
Total other comprehensive income of the period, net of tax		
Total comprehensive income for the period	**16,936**	**15,794**
Attributable to :		
Non controlling interest	-	-
Share of the group	**16,936**	**15,794**

(1) The diluted earnings per share does include:

a. 187,000 warrants attributed in October 2020 of which, 158,250 warrants are outstanding at the end of the semester with an exercise price below the share price. These 158,250 warrants have maturity of October 2026; and
b. 158,600 warrants attributed in June 2021 and outstanding at the end of the semester with an exercise price below the share price. These 158,600 warrants have maturity of June 2027.

The diluted earnings per share does not include 138,832 warrants outstanding at June 2022 as these are not exercisable given the exercise prices were above the share price.

NOTE 2: condensed statement of financial position (balance sheet)

ASSETS (EUR thousands)	Notes	June 30, 2022 Reviewed	Dec 31, 2021 Audited
Non-current assets :			
Goodwill		2,832	2,832
Other intangible assets	5.10	9,985	6,113
Lands and buildings		52,860	52,673
Other tangible assets		3,952	4,307
Investment accounted for using equity method		1,997	1,920
Other amounts receivables		1,634	2,408
Deferred tax assets		4,793	5,933
Financial assets		514	404
Total non-current assets		**78.567**	**76,590**
Current assets :			
Inventories		30,232	25,951
Trade receivables		44,682	38,924
Other amounts receivable, deferred charges and accrued income		8,254	6,417
Financial assets		135	201
Cash and cash equivalents		60,946	72,144
Total current assets		**144,249**	**143,637**
Total assets		**222,816**	**220,227**

EQUITY AND LIABILITIES (EUR thousands)	Notes	June 30, 2022 Reviewed	Dec 31, 2021 Audited
Equity :			
Capital		**8,772**	**8,772**
Reserves		173,694	170,570
Treasury shares		-17,447	-17,776
Total consolidated reserves		**156,247**	**152,794**
Translation differences		1,306	751
Equity, attributable to the owners of the parent		**166,325**	**162,317**
Non-controlling interest			**-**
Total equity	**5.4**	**166,325**	**162,317**
Provisions		1,636	1,502
Deferred taxes liabilities		13	11
Financial debts	5.11	12,931	13,554
Other debts	5.12	581	1,825
Non-current liabilities		**15,161**	**16,892**
Financial debts	5.11	3,839	3,728
Trade payables		11,094	10,497
Amounts payable regarding remuneration and social security		7,315	10,658
Income tax payable		2,668	2,586
Other amounts payable, advances received, accrued charges and deferred income	5.6	16,414	13,549
Current liabilities		**41,330**	**41,018**
Total equity and liabilities		**222,816**	**220,227**

NOTE 3: condensed statement of cash flows

	Notes	1H22 Reviewed	1H21 Reviewed
Cash flows from operating activities			
Net profit, share of the group		**15,448**	**15,595**
Adjustment for:			
- Other income		-	-
- Depreciation and write-offs on fixed assets		3,362	3,443
- Profit-sharing plan and warrants	5.4	474	125
- Provisions		134	61
- Income tax expense (+) / Income (-)		1,864	-56
-Interests expense (+) / Income (-)		-1,496	58
-Share of the result of entities accounted for under the equity method		-77	-213
Adjustment for changes in working capital items:			
-Inventories		-4,281	-2,153
-Trade receivables		-4,984	-9,118
-Other amounts receivable, deferred charges and accrued income		-1,064	-1,398
-Trade payables		598	1,690
-Amounts payable regarding remuneration and social security		-3,155	664
-Other amounts payable, advances received, accrued charges and deferred income		2,866	4,777
-Conversion differences		1,473	-242
Cash generated from operations		*11,162*	*13,233*
Income taxes received / (paid)	5.7	-1,725	88
Net cash from operating activities		**9,437**	**13,321**
Cash flows from investing activities			
Purchase of intangible assets		-4,462	-133
Purchase of tangible assets (lands and building and other tangible assets)		-1,250	-591
Disposal of tangible assets		-	-
Business acquisitions		-	-
Other financial assets		-97	-1
Net cash used in investing activities		**-5,809**	**-725**
Cash flows from financing activities			
Reimbursement of borrowings	5.11	-546	-521
Proceeds from new borrowings		-	-
Payment of lease liabilities		-1,357	-1,324
Interests paid		-377	-231
Interests received		6	68
Dividend received from investee		32	-
Dividend paid - interim dividend		-	-
Dividend paid - final dividend		-13,402	-6.699
Other allocation		-	-
Acquisition / sale of treasury shares	5.4	-	-
Net cash used in financing activities		**-15,644**	**-8,707**
Net increase / decrease in cash and cash equivalents		-12,016	3,889
Net foreign exchange difference		818	364
Cash and cash equivalents at beginning of period		**72,144**	**52,668**
Cash and cash equivalents at end of period		**60,946**	**56,921**

NOTE 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
Balance as at January 1, 2021	**8,772**	**149,309**	**-17,835**	**276**	**140,522**	**-**	**140,522**
Profit or loss		15,595					15,595
Other comprehensive income			199				199
Total comprehensive income for the period		**15,595**		**199**	**15,794**		**15,794**
Share-based payments		125			125		125
Operations with treasury shares			59		59		59
Final dividend		-6,699			-6,699		-6,699
Interim dividend					-		-
Other allocation		-63			-		-63
Balance as per June 30, 2021	**8,772**	**158,267**	**-17,776**	**475**	**149,739**	**-**	**149,739**

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, group share	Non-controlling interest	Total equity
Balance as at January 1, 2022 (reported)	**8,772**	**170,570**	**-17,776**	**751**	**162,317**		**162,317**
Profit or loss		15,448			15,448		15,448
Other comprehensive income		933			555		1,488
Total comprehensive income for the period		**16,381**		**555**	**16,936**		**16,936**
Share-based payments		474			474		474
Operations with treasury shares		-329	329	-	-	-	-
Final dividend		-13,402	**-**	-	-13,402	-	-13,402
Interim dividend							
Other allocation							
Balance as per June 30, 2022	**8,772**	**173,694**	**-17,447**	**1,306**	**166,325**		**166,325**

NOTE 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 6 month-period ended June 30, 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. The condensed interim financial statements of the Group for the 6 month-period ending June 30, 2022, were authorized for issue by the Board of Directors on August 19, 2022.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 consolidated financial statements for the financial year ending on December 31, 2021. 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, 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, which are listed hereunder:

- **Amendment to IFRS 16 Leases:** COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1April 2021).
- **Amendments to IAS 16 Property, Plant and Equipment:** Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022).
- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** Onerous Contracts — Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022).
- **Amendments to IFRS 3 Business Combinations:** Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022).
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 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

- **The 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.

- **The impact 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 post employments obligations have been reviewed to ensure a proper valuation as per 30 June 2022.

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. This explains why the majority of the investments and costs are located at the level of the Belgian parent company. Resources securing the customer facing interactions, like 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 only one type of solution: solutions based on tapeless workflows with a consistent modular architecture. This is the product of EVS. There are no other significant classes of business, either singularly or in aggregate. Indeed, identical modules can meet the needs of different markets. 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 operate 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)	1H22	1H21	% 1H22/ 1H21
Live Audience Business	26,291	30,614	-14.1%
Live Service Provider	35,718	26,655	34.0%
Big event rentals	5,663	4,510	25.6%
Total Revenue	**67,672**	**61,779**	**9.5%**

5.3.2. INFORMATION ON REVENUE BY GEOGRAPHICAL INFORMATION

Activities are divided by 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
1H22 revenue	7,674	28,657	25,678	5,663	67,672
Evolution versus 1H21 (%)	-18.2%	-10.8%	63.0%	25.6%	9.5%
Variation versus 1H21 (%) at constant currency	-18.2%	-10.8%	47.9%	25.6%	5.7%
1H21 revenue	**9,379**	**32,133**	**15,757**	**4,510**	**61,779**

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 two countries: The United States (Americas, EUR 43,8 million in the last 12 months) and Spain (EUR 13,8 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)	1H22	1H21	% 1H22/ 1H21
Sale of Equipment	53,789	52,733	2.0%
Other services	13,883	9,046	53.5%
Total Revenue	**67,672**	**61,779**	**9.5%**

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

The sales of equipment are recognized at a point in time while other services are recognized over time.

5.3.4. INFORMATION ON IMPORTANT CLIENTS

Over the last 6 months, no external client of the company represented more than 10% of the revenue (this was same for the same period in 2021).

NOTE 5.4: EQUITY SECURITIES

The number of treasury shares has changed as follows during the period, together with the outstanding warrants:

	2022	2021
Number of own shares at January 1	**925,140**	**928,207**
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	-	-
Number of own shares at June 30	**908,014**	**925,140**
Outstanding warrants at June 30	**455,682**	**325,832**

In 1H22, 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 329 kEUR for the six-month period ended on June 30 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.

(EUR thousands)	# Coupon	Declaration date	2022	2021
- Final dividend for 2020 (EUR 0.50 per share less treasury shares)	30	May 2021	-	6,699
- Interim dividend for 2021 (EUR 0.50 per share less treasury shares)	31	Nov.2021	-	6,701
- Final dividend for 2021 (EUR 1.00 per share less treasury shares)	32	May 2022	13,402	
Total paid dividends			**13,402**	**13,400**

EVS implemented the dividend policy announced by the end of 2021 distributing an interim dividend for 2021 in November 2021 of EUR 0.50 per share and a final dividend of EUR 1.00 per share for 2021. The total dividend of EUR 1.50 per share includes a EUR 0.50 exceptional dividend to honor the past commitments on dividend payout. A new dividend guidance has been issued early 2022 and is as following:

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
Total dividend	**1,60**	**1,10**	**1,10**

NOTE 5.6: OTHER NET FINANCIAL INCOME / (EXPENSES)

(EUR thousands)	1H22	1H21
- Fair value variation of financial instruments	-169	-7
- Exchange results	1,955	268
- Other financial results	153	61
Other net financial income / (expenses)	**1,939**	**322**

The functional currency of EVS Broadcast Equipment SA as well as all subsidiaries is the Euro, except for the EVS Inc. subsidiary, whose functional currency is the US dollar and Axon Digital Design LTD. subsidiary whose functional currency is the GBP (up till March of 2022, at which point in time the functional currency also became the Euro). 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 increase of the exchange result income is explained by the appreciation of USD and GBP comparing to Euro.

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 in-flows by forward or option foreign exchange contracts. The change in the fair value of the foreign exchange contracts is recorded directly to the income statement (other financial results) 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 June 30, 2022, the group holds EUR/USD FX option contracts for a total notional amount of USD 9 million with monthly maturities between July 2022 and June 2023 at an average EUR/USD exchange rate of 1.0435. The fair value of those financial instruments on June 30, 2022, amounts to EUR -0.1 million.

NOTE 5.7: INCOME TAX EXPENSE

(EUR thousands)	1H22	1H21
- Current tax (expense) / income	-722	494
- Deferred tax (expense) / income	-1.142	-438
Income tax expense	**-1,864**	**56**

Income taxes expense increased during the first half of 2022 compared to the same period of 2021 primarily following important tax latencies impacting the 2021 tax base.

The effective tax rate for the period ended on June 30, 2022, is 10.8% (-0.4% for same period in 2021).

The evolution of effective tax rate is mainly explained by:

- The increase of the current tax mainly due to rise in the taxable profits. It must be noted that in the first half of 2021, a tax relief of EUR 0.7 million was received; and
- The increase of the deferred tax expenses due to the high profit before tax impacting the recoverable tax loss for EUR 1.2 million together with the reversal of other temporary differences.

NOTE 5.8: HEADCOUNT

(in full time equivalents)	**At June 30**
2022	594
2021	542
Variation	*+52*

NOTE 5.9: EXCHANGE RATES

The main exchange rate that influences the consolidated financial accounts is USD/EUR and GBP/EUR which has been taken into account as follows:

Exchange rate **USD/EUR**	**Average 1H**	**At June 30**
2022	1.0937	1.0387
2021	1.2049	1.1884
Variation	*-9.23%*	*-12.60%*

Exchange rate **GBP/EUR**	**Average 1H**	**At June 30**
2022	0.8420	0.8582
2021	0.8682	0.8580
Variation	*-3.02%*	0.02%

NOTE 5.10: INTANGIBLE ASSETS

During 2022, intangible assets increased by EUR 3.9 million as a net movement of a capitalization of internal development costs of EUR 4.5 million less six months depreciations of EUR 0.6 million.

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).

Management performed an assessment related to the internal development projects and concluded that:

- It is technically feasible to complete the development of these software so that it will be available for the sale;
- The Group has the intention to complete the development of the software in order to sell it;
- The Group is able to sell the software once the development will end;
- The future economic benefits from the sales of the software have been identified and are in excess of the budgeted development costs;
- The Group secured the necessary financial resources together with the internal (and external) technical resources to complete the development of the software in order to sell it; and
- The new established processes allow to the Group to measure reliably the expenditures attributable to the development of the software and therefore, attributable to the cost of the intangible assets.

The capitalized costs during the first six months of 2022 include mainly the internal personnel costs and external consultants costs. These costs are only related to the development phase.

Update of the accounting policy 2.11 related to the intangible assets (the following accounting policy will replace the accounting policy of the intangible assets in 2021 annual report).

2.11. INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

Where it is not possible to reliably distinguish between research or development costs, the costs are considered as being research and therefore, these costs do not qualify as an internally generated intangible asset.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are recognized initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets with a finite useful life are depreciated on a straight-line basis over the duration of their economic useful life (3 years for software acquired for internal use and between 3 and 7 years for the other intangible assets) and reviewed for impairment testing each time there is a sign of impairment in the intangible asset.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

NOTE 5.11: FINANCIAL LIABILITIES

(EUR thousands)	2022	2021
Long term financial debts		
Bank loans	2,228	2,779
Long term lease liabilities	10,703	10,775
Amount due within 12 months (shown under current liabilities)		
Bank loans	1,100	1,095
Short term lease liabilities	2,739	2,633
Total financial debt (short and long-term)	**16,770**	**17,282**
The total financial debt is repayable as follows:		
- within one year	3,839	3,728
- after one year but no more than five	9,350	9,673
- more than five years	3,581	3,881

On June 16, 2020, a new loan of EUR 5.5 million has been negotiated with BNP Paribas Fortis in order to partially finance the acquisition of Axon. The repayment schedule foresees a first repayment of EUR 0.6 million in the last quarter of 2020 and annual installments of EUR 1.1 million between 2021 and 2024 with a final repayment of EUR 0.6 million in 2025 when the loan will mature. On June 2022, EVS paid EUR 0.6 million, interest included (the same was paid during the same period of 2021).

During the first six months of 2022, lease liabilities variation includes a repayment of EUR 1.4 million (EUR 1.3 million for the same period in 2021), excluding interest of EUR 0.3 million (EUR 0.2 million for the same period in 2021).

On June 29, 2020, a roll over credit line of EUR 5.0 million has been negotiated with Belfius bank in order 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 5.12: OTHER LIABILITIES

The variation in other debts of – 1.2 million EUR during the first semester 2022 comes from the update of the principal assumptions used in determining pension obligations for the Group's plans due to the high increase of the inflation during the period. No new actuarial valuation report as at 30 June 2022 was provided. It has been asked to our actuary AON to review the calculation as per December 31, 2021 with those updated assumptions. The net liability has been updated and a full actuarial calculation will be performed at year-end.

The main changes in the assumptions are the following:

- Salaries increase with the real inflation rate of 2021 (5,71%)
- LT inflation rate increases from 1,90% to 2,10%
- Salaries increase from 2,10% to 2,30% (caused by the inflation rate increase)
- Actuarial rate increases from 1,15% in January to 2,45% today.

NOTE 5.13: 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 5.12.1.

The group's main financial instruments, other than derivatives, comprise bank loans, finance leases and operating 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 5.12.2.

5.13.1 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 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.

On June 30, 2022, the group holds EUR/USD FX option contracts for total notional amount of USD 9 million with monthly maturities between July 2022 and June 2023 at an average EUR/USD exchange rate of 1.0435. The fair value of those financial instruments on June 30, 2022, amounts to EUR -0.1 million.

5.13.2 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 June 30, 2022 and December 31, 2021, 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 limited because the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies.

As of June 30, 2022, the maximum amount the group could have to pay if these guarantees are called on is EUR 0.8 million (similar to EUR 0.8 million in December 2021).

5.13.3 FAIR VALUES OF FINANCIAL INSTRUMENTS

The estimated fair values of the financial assets and liabilities are equal to their fair book value in the balance sheet considering (i) their short maturity or (ii) the fact that the interest rate applicable is in line with market conditions.

NOTE 5.14: SUBSEQUENT EVENTS

EVS announced on August 19th the signature of a large deal (more than USD 50 million) over a period of 10 years with a key customer in Nortth America.

There were no other subsequent events that may have a material impact on the balance sheet or income statement of EVS.

NOTE 5.15: RISK AND UNCERTAINTIES

Investing in the stock of EVS involves risks and uncertainties. The risks and uncertainties relating to the remainder of the year 2022 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).

In terms of new risks arising since the annual report of 2021, we highlight the potential impacts following the war in Ukraine. The war is not only impacting revenue streams in Russia and Ukraine, as EVS is carefully following up and respecting the sanctions in vigor. It is also potentially impacting the supply of components provided by that region.

NOTE 5.16: RELATED PARTIES TRANSACTIONS

During 1H 2022, the members of the executive management considered as related parties received a total amount of EUR 905.549 (646.765 for the same period in 1H2021). The increase is mainly explained by the additional members in 2022.

Report of the statutory auditor on the accounting data presented in the semi-annual press release of EVS Broadcast Equipment SA

We have compared the accounting data presented in the semi-annual press release of EVS Broadcast Equipment SA with the Interim Condensed Consolidated Financial Statements as at June 30, 2022. We confirm that these accounting data do not show any significant discrepancies with the Interim Condensed Consolidated Financial Statements.

We have issued a review report on these Interim Condensed Consolidated Financial Statements, in which we declare that, based on our review, nothing has come to our attention that causes us to believe that these Interim Condensed Consolidated Financial Statements are not prepared, in all material aspects, in accordance with IAS 34 Interim Financial Reporting, as adopted for use in the European Union.

Liège, August 19th, 2022

Ernst & Young Réviseurs d'Entreprises SCRL
Statutory auditor
represented by

Carlo-Sébastien D'Addario
Partner
* Acting on behalf of a SRL

Ref: 23CSD0014

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 the first six months of 2021, 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