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

EVS reports 2023 results

Liège, Belgium, February 22nd, 2024

EVS further delivers profitable growth in 2023, validating the effectiveness of its PlayForward strategy

The robust financial performance of EVS in 2023 underscores the effectiveness of the implemented strategy aimed at fostering sustained and profitable long-term growth. Despite the absence of significant Big Event Rental revenue in an uneven year 2023, EVS achieved record-breaking revenue and demonstrated strong profitability. This success serves as a testament to the efficacy of its PlayForward strategy.

Full-year Highlights

- Order intake outpacing revenue at EUR 192.9 million, including EUR 7.4 million of Big Event Rental (BER).
- Revenue performance landing north of our guidance at EUR 173.2 million, growing 16.9% vs. FY22 despite being an uneven year without major Big Event Rental activity.
- Operating expenses are well controlled, with a start of depreciation of some intangible assets in 4Q23.
- EBIT closes in at EUR 41.1 million, landing EUR 2.3 million above our guidance, following the associated revenue performance.
- Healthy net profit at EUR 36.9 million (21.3% net margin) resulting in fully diluted earnings per share of EUR 2.65.

Second half Highlights

- Strong order intake of EUR 108.9 million.
- Revenue for the second half of 2023 at EUR 85.8 million, growing 6.6% compared to the same period last year.
- Net profit amounts to EUR 15.8 million, leading to fully diluted earnings per share of EUR 1.13.

Outlook

- The important order intake of 2023 has considerably fueled the order book to be delivered in future periods. The total order book at the end of 2023 is of EUR 153.2 million, growing 12.9% compared to the same period last year.
 - The order book reserved for 2024 is estimated at EUR 100.4 million, growing 16.9% compared to beginning of the year 2023. Out of this number, EUR 7.4 million is reserved for Big Event Rentals. Post closing, we secured additional Big Event Rental contracts.
- Based on the order book and current market dynamics, the revenue guidance for the year 2024 is set at EUR 180-195 million.
- EVS plans a controlled increase in number of team members in order to support further growth.
- We expect to pay out dividends in 2024 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						
	2H23	2H22	Variance	FY23	FY22	Variance
Revenue	85.8	80.5	5.3	173.2	148.2	25.0
Gross profit	59.4	53.0	6.4	120.6	98.8	21.8
Gross margin %	69.3%	65.9%	+3.4 Pts	69.6%	66.7%	+2.9 Pts
Operating profit – EBIT	16.2	16.0	0.2	41.1	31.7	9.4
Operating margin – EBIT %	18.9%	19.9%	-1.0 Pts	23.8%	21.4%	+2.4 Pts
Net profit (Group share)	15.8	15.9	-0.1	36.9	31.3	5.6
Fully diluted EPS (Group share)	1.13	1.14	-0.01	2.65	2.29	0.36

Comments

Serge Van Herck, CEO, comments:

"I'm proud to announce outstanding financial performance for the fiscal year 2023. EVS has achieved remarkable milestones, setting a new revenue record, delivering strong profitability, and generating a strong order book for the third consecutive year.

We achieved a new revenue record, underscoring our commitment to sustainable growth. Despite the expected absence of Big Event Rental revenues in an uneven year, our strong revenue growth and effective cost control strategies resulted in robust profitability, a testament to the success of our PlayForward strategy.

The Live Audience business segment, LAB, experienced significant order intake growth, highlighting our expanding market share in broadcast studio environments. The Media Infrastructure solution segment also played a pivotal role in driving order intake growth across all regions, with anticipated contributions to Big Event Rental revenues in 2024.

We secured rental and support service contracts for major sporting events in 2024, ensuring a strong foundation for Big Event Rental revenues in the upcoming year. This strategic move reinforces our position as a key player in the industry and demonstrates our ability to secure long-term high-profile partnerships.

Customer satisfaction has reached new heights, as evidenced by the significant progress in Net Promoter Score (NPS) over the last three years, as measured by Devoncroft. Internally, our team members maintain a high level of engagement, as reflected in our yearly internal engagement survey. This commitment to excellence is further highlighted by the recognition as a 'Top Employer' in Belgium for the second consecutive year, placing us among an elite group of close to 90 companies.

On the Environmental, Social, and Governance (ESG) side, we have defined ambitious 2030 goals. EVS now proudly boasts a strong ESG rating, placing it in the top 15% of the best companies worldwide, according to evaluations from Ecovadis and Sustainalytics.

We continue to drive innovation with our generative AI-enabled XtraMotion solution as a clear example. This technology is creating a buzz within the industry, particularly in the LiveCaption solution, where it transforms regular broadcast cameras into super slow-motion cameras. The introduction of artificial intelligence-based search capabilities in the MediaCaption solution, along with the launch of the VIA MAP content management platform during the international

broadcast conference in Amsterdam, showcases our commitment to pushing the boundaries of technological advancements.

EVS also continued its tradition of delivering robust dividends.

In conclusion, our PlayForward strategy is clearly being appreciated by our customers and channel partners. This is helping us to confirm our profitable and sustainable growth mode. While economic market conditions remain very challenging with high interest rates, certain component shortages and with the wars in Ukraine and Gaza, we feel that our customers, channel partners and EVS operators increasingly appreciate the reliability, performance and innovative edge of our solutions and services.”

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

“Our 2023 order intake and revenue results are a clear testimony to our strategy in action. Our ambition for the year was to realize profitable and sustainable growth, in a year with no Big Event Rental. Several key performance indicators demonstrate that our PlayForward strategy is paying off. We attract new customers, we expand our portfolio of solutions with existing customers, we grow our LAB business, ... and our Media Infrastructure business demonstrates its growth potential in the market.

With the focus on profitable growth, we have managed to maintain good control over our cost base. During the first three quarters of the year we kept our team member base flat, as to ensure we fully absorbed the hirings of 2022. We did accelerate hirings towards the end of 2023, based on the strong growth trajectory both of our revenue and order intake.

Our operational expenses grew in a controlled way. In the fourth quarter we have seen an increase in our operational expenses with the start of the depreciation of an important intangible asset created over the past two years (following the announcement of VIA MAP launch in September 2023). Control over our spending patterns remains an attention point for 2024, especially in the current volatile market.

We managed to generate a strong Net Profit worth EUR 36.9 million, driving a diluted Earnings Per Share of EUR 2.65.

Our balance sheet also remains healthy with a very low debt level and a sound cash position.

Based on the strong results for the year 2023, we are able to maintain our dividend policy defined earlier in 2022.”

Market & customers

Unprecedented Market Traction and Financial Performance

EVS has achieved unparalleled success in 2023, setting new records in revenue and order intake. This exceptional performance is a testament to the strong market traction EVS is experiencing, driven primarily by significant growth in Live Audience Business (LAB) market pillar and the Media Infrastructure solution in particular. The remarkable success of our MediaInfra solution is a clear indication of the strategic value of our acquisition of Axon in 2020, yielding substantial returns on investment three years post-acquisition.

Growth Drivers and Strategic Investments

The surge in revenues and order intake is largely attributed to the growth of our LAB segment. Our LAB customers are at the forefront of redefining their infrastructures, not only transitioning to Live IP but also innovating to enhance production efficiency. Through our Media Infrastructure offerings, we enable customers to undertake a seamless migration to more advanced systems, ensuring their investments are future-proof. The introduction of the multiviewer Neuron View and the expansion of the Neuron platform application family underscore our commitment to adding value for our clients. Similarly, the widespread adoption of Cerebrum as a video stream monitoring and control solution, offering unrivaled flexibility and comprehensive connectivity options, emphasizes the effectiveness of our open platform strategy.

Global Deployment and Customer Support

Our solutions, including MediaCeption and the XT-VIA servers alongside LiveCeption solutions, continue to be deployed globally by LAB and Live Service Providers (LSP) customers, respectively. The increasing demand for our Service Level Agreements (SLAs) highlights our role as a trusted partner in navigating the complexities of production environments. This not only secures our sales for the coming years but also enhances the predictability of our revenue streams.

Strategic Initiatives and Industry Recognition

Following the PlayForward strategic initiative in 2020, EVS has evolved into a comprehensive solution provider, now integrating these solutions into a cohesive ecosystem. The introduction of the content management platform VIA MAP at IBC represents a significant step towards ensuring consistency across our solutions and facilitating seamless interactions between different customer segments.

Our commitment to excellence and innovation has been recognized through various awards, including accolades in ESG, HR, and product innovation, notably the Golden Bridge and XtraMotion's Best of Show at NAB 2023. Additionally, the renewal of FIFA's certification for our VAR product further solidifies our industry standing.

Supply Chain and Operational Readiness

While the supply chain situation has shown improvement, challenges persist amid ongoing geopolitical tensions. EVS remains vigilant, preparing strategically to mitigate potential impacts.

As we gear up for the summer's major broadcasting events, our focus is on the final stages of preparation, from manufacturing to testing the next generation of products. This upcoming global showcase serves as a live demonstration of our capabilities to customers worldwide, reinforcing the trust placed in EVS by Host Broadcasters for these high-profile events.

Technologies

Continued Investment in Technological Innovation

At EVS, we remain steadfast in our commitment to spearheading innovation within our industry. In alignment with our strategic objectives, we have consistently allocated over 50% of our workforce to the technological development of our products and solutions. This dedication is pivotal to our ongoing progress and our ability to stay ahead in an industry characterized by rapid transformation. Our efforts are squarely focused on empowering our customers, equipping them with the necessary tools to navigate their unique challenges effectively.

Advancements in Broadcast-Specific generative AI Technologies

Since 2017, EVS has been at the forefront of integrating generative AI technologies tailored to the broadcast sector. This year, we did announce the launch of an enhanced "on-prem" version of XtraMotion, our generative AI-driven slow-motion replay solution. This latest iteration boasts significant improvements in quality and a notable reduction in latency, enabling operators to capture and leverage high-quality imagery more efficiently. This achievement was recognized with a prestigious "Best of Show award" at NAB 2023, a testament to our unwavering commitment to excellence and innovation. Furthermore, our use of generative AI extends to enhancing workflows within MediaCeption, facilitating the automatic generation of metadata and enriching the user experience.

Pioneering 5G for Remote Production Workflows

Our "Flex Production" case study, developed in collaboration with Orange Belgium, Théâtre de Liège and La Grand Poste de Liège, successfully demonstrated EVS's ability to exploit the potential of 5G technology for remote production flows, while strengthening the development of local communities and cultural organizations. This achievement underscores the effectiveness of our Balanced Computing approach, proving its relevance and applicability in real-world scenarios. Through this initiative, EVS reaffirms its position as a leader in leveraging cutting-edge technologies to redefine production workflows.

Commitment to Sustainability

EVS is deeply committed to sustainability, actively pursuing initiatives aimed at reducing the carbon footprint of our operations and, by extension, that of our customers. We have made significant strides in optimizing our architectures to minimize power consumption and have designed new products and solution components to manage infrastructure in an energy-efficient manner. These efforts reflect our dedication to environmental stewardship and our responsibility towards fostering a more sustainable future.

Corporate topics

Part of our PlayForward strategy is based on improving our internal way of working. After the implementation of a new ERP system in October 2022, we have now expanded the footprint of the ERP to include our latest acquisition Axon.

This final step is ensuring a global integration of all our processes and guarantees an optimal customer experience. This is a major step for our company and fully prepares us to digest for future growth.

We also continued in 2023 our systemic list price adjustments. Even though market conditions have somewhat stabilized throughout 2023, we continue to evaluate the need for price adjustments as to protect the margin generation of the company. The analysis lead to a price increase in February 2023, while no pricing adjustment was introduced to the market in September 2023.

2023 is also the year where we consolidated our sustainability efforts in terms of ESG. Corporate sustainability is now embedded in all our operations. We have 9 main tracks that are important for us as a company, and that are important for our industry. The tracks are: customer carbon footprint, company carbon footprint, talent management, diversity & inclusion, customer experience, local social contribution, cyber security of our company, products and solutions, sustainable supply chain and business ethics. Each of these tracks are managed by an interdepartmental team and have a Leadership Team member as an executive sponsor. We have defined this year our long term objectives (horizon 2030) for each of those tracks and we systematically review the progress and refine our actions. Within the industry, we are recognized as an ESG leader and we continue to receive positive feedback from the market. In 2024 we will further refine our ESG strategy, based on a new carbon footprint analysis and we will focus on the deployment of CSRD (Corporate Social Responsibility Directive).

Within the framework of Directive (EU) 2019/1937 of 23 October 2019 on the protection of persons who report breaches of Union law, transposed into Belgian law by the Whistleblowers Act for the private sector of 28 November 2022, which came into force on 15 February 2023, EVS has set up an appropriate Whistleblowing policy and Speaking Up Procedure.

Second half and full-year revenue

In 2H23, revenue reached EUR 85.8 million, representing an increase of EUR 5.3 million or 6.6% compared to 2H22, despite the absence of Big Event Rentals in the period (vs. EUR 4.2 million of BER in 2H22).

At constant currency, revenue increased by 11.4% YoY.

Revenue – EUR millions	2H23	2H22	2H23/2H22
Total reported	85.8	80.5	6.6%
Total at constant currency	83.2	80.5	3.4%
Total at constant currency and excluding Big Event Rentals	83.5	76.3	9.4%

For the full year 2023, revenue reached EUR 173.2 million, representing an increase of EUR 25.0 million or 16.9% compared to 2022, despite the absence of Big Event Rentals in the period (vs. EUR 10.0 million of BER in FY22). Corrected for Big Event Rentals the growth is of 25.3%. This performance demonstrates the organic growth realized in 2023.

At constant currency, revenue increased by 15.0% YoY.

Revenue – EUR millions	FY23	FY22	FY23/FY22
Total reported	173.2	148.2	16.9%
Total at constant currency	170.3	148.2	15.0%
Total at constant currency and excluding Big Event Rentals	170.5	138.3	23.2%

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% (40% in 2H22) of the revenue, LAB 60% (55% in 2H22). The growth of LAB business is one of the strategic pillars of EVS and demonstrates our ability to expand our footprint with generic broadcasters.

Full-year earnings

Consolidated gross margin was at 69.7% for FY23, compared to 66.7% in FY22 (+3.0 Pts) explained by positive impact of sales price increases and a higher volume of software compared to hardware in certain solutions. The increase of revenue linked to services also explains the gross margin increase. This has resulted primarily in improved margins for most of our solutions.

Operating expenses increased by 19% YoY explained by an increase in team member base, inflation on labour cost, energy prices and travel expenses. Additionally, in 2023, EVS made investments in its digital transformation journey. The investments made in intangible assets throughout 2022 and 2023 also had a significant impact on the 2023 results, as we started the depreciation of one important project in the fourth quarter.

Overall EBIT performance was of EUR 41.1 million, generating an EBIT margin of 23.8%.

The net profit ended at EUR 36.9 million, with income tax expense amounting to EUR 3.6 million for the full year 2023 (compared to EUR 1.4 million in 2022). The increase in income tax is mainly driven by higher taxable profit, combined with the limitation on the deduction of tax latencies from previous years in Belgium, leading to lower amount of deferred tax asset that can be used during the period.

The net profit leads to a fully diluted earnings per share of EUR 2.65 (versus EUR 2.29 in 2022).

Second half earnings

The gross profit margin in 2H23 reached 69.3% compared to 65.9% in the same period last year.

Operating expenses grew 17% in 2H23 compared to the same period last year, reflecting a controlled increase in line with the increase of the activities.

The 2H23 EBIT margin was 18.9%. compared to 19.8% in 2H22. The impact of the depreciation of the intangible assets in fourth quarter is explaining the slight drop.

The Group net profit amounts to EUR 15.8 million in 2H23 compared to EUR 15.9 million in 2H22. Fully diluted earnings per share amounts to EUR 1.13 in 2H23 compared to EUR 1.14 in 2H22.

Balance sheet and cash flow statement

Balance sheet remains strong with net cash position of EUR 36.6 million with low debt level (of which EUR 12.7 million related to IFRS 16), resulting in a total equity representing 76% of the total balance sheet as of the end of 2023.

Working capital requirements are growing at EUR 89.6 million, primarily linked to growing trade receivables that evolve largely in line with our overall sales volumes. The working capital over sales ratio slightly improves from 53% at year-end 2022 to 52% at the end of 2023.

Other intangible assets include the costs for internal development capitalized during 2022 and 2023 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 33.0 million, an increase of EUR 4.2 million compared to the beginning of the year with the aim to support the growth of activities. The ratio of inventory vs. sales remains stable compared to prior years at 19%.

Liabilities include EUR 14.3 million of financial debt (including long term and short-term portion), mainly related to the lease liabilities for EUR 12.7 million and borrowings for EUR 1.7 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 35.7 million for the full year 2023, compared to EUR 11.0 million in 2022. The increase is mainly driven by higher net profit and lower variance in working capital requirements compared to

the previous year, mainly on trade receivables (large volume of invoices were issued in late 2022 given a temporary hold of invoicing operations after the Go-Live of the new ERP system). On December 31, 2023, cash and cash equivalents total EUR 50.9 million, compared to EUR 49.1 million at the end of 2022. The increase is mainly driven by the higher cash from operating activities as described above, partially offset by the net cash used in investing activities of EUR -7.5 million linked to the investments in intangible and tangible assets (specifically in the internal development of intangible assets) together with the net cash used in financing activities of EUR -25.9 million, mainly driven by total dividend payment of EUR -21.5 million.

At the end of December 2023, there were 14,327,024 EVS shares outstanding, of which 893,820 were owned by the company. At the same date, 680,875 warrants were outstanding with an average exercise price of EUR 19.82 and maturities between October 2026 and October 2029.

Team members

At the end of 2023, EVS employed 622 team members (FTE). This is an increase by 9 team members compared to the end of 2022 (613 FTE). In 2023, EVS deliberately limited the increase in team members, as we had a wish to stabilize the workforce after a strong hiring period in 2022. Towards the end of 2023, we accelerated hirings again, given the topline growth. For 2024, we expect a controlled increase in the number of team members as to continue and fuel our future growth.

Corporate update

There has been no further change to the composition of the Board of Directors since the last General Assembly on May 16th 2023 during which the shareholders had appointed two new directors, Serge Van Herck (representing InnoVision bv) and Soumya Chandramouli (representing FRINSO SRL), both for a period of 4 years. The Board of Directors is currently composed of nine directors:

- **Johan Deschuyffeleer**, independent director & President (representing The House of Value bv);
- **Michel Counson**, managing director;
- **Martin De Prycker**, independent director (representing InnoConsult bv);
- **Chantal De Vrieze**, independent director (representing 7 Capital SRL);
- **Frédéric Vincent**, independent director;
- **Marco Miserez**, independent director;
- **Anne Cambier**, independent director (representing Accompany You SRL);
- **Serge Van Herck**, CEO and managing director (representing InnoVision bv) ; and
- **Soumya Chandramouli**, independent director (representing FRINSO SRL).

Glossary

Term	Definition
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 Event Rental Revenue from major non-yearly big event 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 on February 23rd at 10.00 am 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/BI65178c2a77304896a0aee4f2f291d7a9>
2. **Webcast Player URL:** <https://edge.media-server.com/mmc/p/x8k4igzm/>

Corporate Calendar

May 16th, 2024: Q1 2024 Trading update (post closing)

May 21th, 2024: General Assembly

August 13th, 2024: H1 2024 results (attention to the advanced date) (post closing)

November 14th, 2024: Q3 2024 Trading update (post closing)

For more information, please contact:

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* representing a SRL

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 us

We create return on emotion

EVS is globally recognized as the leading provider in live video technology for broadcast and new media productions. Spanning the entire production process, EVS solutions are trusted by production teams worldwide to deliver the most gripping live sports images, buzzing entertainment shows and breaking news to billions of viewers every day – and in real-time. As we continue to expand our footprint, our dedication to sustainable growth for both our business and the industry is clearly demonstrated through our ESG strategy. This commitment is not only reflected in our results, but also in our high ratings from different agencies.

Headquartered in Liège, Belgium, the company has a global presence with offices in Australia, Asia, the Middle East, Europe, North and Latin America, employing over 600 team members and ensuring sales, training 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.



Final condensed consolidated financial information

Final condensed consolidated income statement

(EUR thousands)	Notes	FY23	FY22	2H23	2H22
Revenue	3	173,191	148,158	85,773	80,486
Cost of sales		-52,548	-49,314	-26,368	-27,473
Gross profit		120,643	98,844	59,405	53,013
Gross margin %		69.7%	66.7%	69.3%	65.9%
Selling and administrative expenses		-46,567	-39,815	-25,246	-22,532
Research and development expenses		-31,836	-26,267	-17,364	-14,368
Other income		180	200	74	150
Other expenses		-488	-607	-424	-121
Profit-sharing plan and warrants		-790	-643	-260	-169
Operating profit (EBIT)		41,142	31,712	16,185	15,973
Operating margin (EBIT) %		23.8%	21.4%	18.9%	19.8%
Interest revenue on loans and deposits		230	106	149	76
Interest charges		-920	-912	-491	-439
Other net financial income / (expenses)		19	1,793	-82	-146
Share in the result of the enterprise accounted for using the equity method		80	67	-77	-10
Profit before taxes (PBT)		40,551	32,766	15,684	15,454
Income taxes	4	-3,605	-1,422	74	442
Net profit		36,946	31,344	15,758	15,896
Attributable to :					
Non-controlling interest		-	-	-	-
Share of the Group		36,946	31,344	15,758	15,896

EARNINGS PER SHARE (in number of shares and in EUR)	FY23	FY22	2H23	2H22
Weighted average number of subscribed shares for the period less treasury shares	13,427,915	13,411,972	13,433,204	13,419,010
Weighted average fully diluted number of shares	13,950,751	13,681,084	13,991,046	13,768,895
Basic earnings – share of the Group	2.75	2.34	1.17	1.19
Fully diluted earnings – share of the Group ⁽¹⁾	2.65	2.29	1.13	1.14

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR thousands)	FY23	FY22	2H23	2H22
Net profit	36,946	31,344	15,758	15,896
Other comprehensive income of the period				
Currency translation differences	-270	324	-71	-231
Total of recyclable elements	-270	324	-71	-231
Difference on opening	-	460	-	460
Gains / (losses) on remeasurement of defined benefit obligations, net of tax	-378	1,373	-378	440
Total of non-recyclable elements, net of tax	-378	1,833	-378	900
Total other comprehensive income of the period, net of tax	-648	2,157	-449	669
Total comprehensive income for the period	36,298	33,501	15,309	16,565
Attributable to :				
Non controlling interest	-	-	-	-
Share of the Group	36,298	33,501	15,309	16,565

(1) The diluted earnings per share does include:

- 187,000 warrants attributed in October 2020, of which 146,750 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 152,600 are outstanding with an exercise price below the share price and with maturity in June 2027;
- 183,375 warrants attributed in September 2022, of which 182,625 are outstanding with an exercise price below the share price and with a maturity in September 2028; and
- 198,900 warrants attributed in October 2023, all outstanding with an exercise price below the share price and with a maturity in October 2029.

Final condensed statement of financial position (balance sheet)

ASSETS (EUR thousands)	Notes	Dec 31, 2023	Dec 31, 2022
Non-current assets:			
Goodwill		2,832	2,832
Other intangible assets	5	16,020	13,215
Lands and buildings		47,634	50,543
Other tangible assets		7,439	4,691
Investment accounted for using equity method		1,938	1,922
Other amounts receivables		3,458	3,647
Deferred tax assets		5,203	4,622
Financial assets		495	512
Total non-current assets		85,019	81,984
Current assets:			
Inventories		33,001	28,786
Trade receivables		67,243	58,856
Other amounts receivable, deferred charges and accrued income		15,122	14,365
Financial assets		244	174
Cash and cash equivalents		50,947	49,051
Total current assets		166,557	151,232
Total assets		251,576	233,216
EQUITY AND LIABILITIES (EUR thousands)			
	Notes	Dec 31, 2023	Dec 31, 2022
Equity:			
Capital		8,772	8,772
Reserves		198,897	183,390
Treasury shares		-17,174	-17,447
Total consolidated reserves		181,723	165,943
Translation differences		805	1,075
Equity, attributable to the owners of the parent		191,300	175,790
Non-controlling interest		-	-
Total equity	10	191,300	175,790
Liabilities:			
Provisions		1,738	1,637
Deferred taxes liabilities		11	10
Financial debts	6	10,444	11,528
Other debts		143	120
Non-current liabilities		12,336	13,295
Financial debts	6	3,896	3,750
Trade payables		10,681	9,207
Amounts payable regarding remuneration and social security		12,481	11,219
Income tax payable		1,393	1,959
Other amounts payable, advances received, accrued charges and deferred income		19,489	17,996
Current liabilities		47,940	44,131
Total equity and liabilities		251,576	233,216

Final condensed statement of cash flows

(EUR thousands)	Notes	FY23	FY22
Cash flows from operating activities			
Net profit, share of the Group		36,946	31,344
Adjustment for:			
- Depreciation and write-offs on fixed assets		8,042	6,738
- Profit-sharing plan and warrants	10	790	642
- Provisions		-388	212
- Income tax expense		3,605	1,422
- Net financial expense (+) / income (-)		672	-987
- Share of the result of entities accounted for under the equity method		-80	-67
Adjustment for changes in working capital items:			
- Inventories		-4,216	-2,834
- Trade receivables		-8,198	-23,970
- Other amounts receivable, deferred charges and accrued income		-2,592	-3,889
- Trade payables		1,474	-1,290
- Amounts payable regarding remuneration and social security		1,083	541
- Other amounts payable, advances received, accrued charges, and deferred income		1,375	4,776
- Conversion differences		-1,013	803
<i>Cash generated from operations</i>		<i>37,500</i>	<i>13,441</i>
Income taxes paid	4	-1,798	-2,469
Net cash from operating activities		35,702	10,972
Cash flows from investing activities			
Purchase of intangible assets		-4,525	-8,770
Purchase of tangible assets (lands and building and other tangible assets)		-3,013	-1,101
Disposal of tangible assets		37	-
Other financial assets		12	-102
Net cash used in investing activities		-7,489	-9,973
Cash flows from financing activities			
Reimbursement of borrowings	6	-1,105	-1,095
Payment of lease liabilities		-3,055	-2,828
Interests paid		-556	-688
Interests received		230	75
Dividend received from investee		64	64
Dividend paid	11	-21,497	-20,112
Net cash used in financing activities		-25,919	-24,584
Net increase / decrease in cash and cash equivalents		2,294	-23,585
Net foreign exchange difference		-398	492
Cash and cash equivalents at beginning of period		49,051	72,144
Cash and cash equivalents at end of period		50,947	49,051

Final 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 per January 1, 2022	8,772	170,570	-17,776	751	162,317	-	162,317
Profit or loss		31,344			31,344		31,344
Other comprehensive income		1,833		324	2,157		2,157
Total comprehensive income for the period		33,117		324	33,501		33,501
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
Balance as per December 31, 2022	8,772	183,390	-17,447	1,075	175,790	-	175,790

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, share of the Group	Non-controlling interest	Total equity
Balance as per January 1, 2023	8,772	183,390	-17,447	1,075	175,790	-	175,790
Profit or loss		36,946			36,946		36,946
Other comprehensive income		-378		-270	-648		-648
Total comprehensive income for the period		36,568		-270	36,298		36,298
Share-based payments		790*			790		790
Operations with treasury shares		-273	273		-		-
Final dividend		-14,780			-14,780		-14,780
Interim dividend		-6,717			-6,717		-6,717
Other allocation		-81			-81		-81
Balance as per December 31, 2023	8,772	198,897	-17,174	804	191,300	-	191,300

* Total amount includes EUR 816 granted and EUR -26 forfeited

Notes to the consolidated financial statements

NOTE 1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of EVS Group for the 12 month-period ended December 31, 2023, are established and presented in accordance with the International Financial Reporting Standards (IFRS), as adopted for use in the European Union. The condensed financial statements of the Group for the 12 month-period ending December 31, 2023, were authorized for issue by the Board of Directors on February 22, 2024. This condensed report 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 2023 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 19, 2024. The condensed financial statements are prepared on a going concern basis.

NOTE 2.1: SIGNIFICANT ACCOUNTING POLICIES AND METHODS

The consolidated financial statements of EVS Broadcast Equipment SA and of its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. All standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) effective year-end 2023 and adopted by the European Union are applied by the Company. The consolidated financial statements have been prepared on an historical cost basis, except for the share-based payments (at the grant date), derivative financial instruments and contingent considerations, which are measured at their fair value. The consolidated financial statements are presented in thousands of euros. All values are rounded figures to the nearest thousand unless otherwise indicated. The accounting policies and methods adopted for the preparation of the company's IFRS consolidated financial statements are consistent with those applied in the 2022 annual consolidated financial statements. The company's IFRS accounting policies and methods are available in the 2022 annual report on www.evs.com, except for the new, amended or revised IFRS standards and IFRIC Interpretations that have been in effect since January 1, 2023. The adoption of these new, amended or revised pronouncements did not have a significant impact on the consolidated financial statements of the Group.

NOTE 2.2: JUDGMENTS AND ESTIMATES

In preparing the Company's condensed consolidated financial statements, management makes judgments in applying various accounting policies. The areas of policy judgment are consistent with those followed in the preparation of EVS annual consolidated financial statements as of and for the year ended 31 December 2022.

In addition, management is required to make estimates that affect amounts included in the financial statements. The estimates carried out on each reporting date reflect the conditions in force on these dates (for example: market price, interest rates and exchange rates). Although these estimates are based on the best knowledge of management of the existing events and of the actions that the group could undertake, the real results may differ from these estimates.

The use of estimates is particularly applicable when performing goodwill impairment tests and evaluating any additions to the purchase price of past business combinations, the determination of the contingent consideration, determining the fair value of share-based payments, the evaluation of the deferred tax position, the measurement of employee benefit obligations and the determination of the percentage of completion of projects in progress. These estimates are further discussed in the Company's annual report.

NOTE 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 is the reason why the majority of the 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: sale of equipment and other services.

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)	2H23	2H22	% 2H23/2H22
Live Audience Business	51,344	45,147	13.7%
Live Service Provider	34,650	31,151	11.2%
Big Event Rentals	-0,221	4,187	-100.0%
Total Revenue	85,773	80,486	6.6%

Revenue (EUR thousands)	FY23	FY22	% FY23/FY22
Live Audience Business	90,050	71,438	26.1%
Live Service Provider	83,278	66,869	24.5%
Big Event Rentals	-0,137	9,850	-100.0%
Total Revenue	173,191	148,158	16.9%

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 make separate distinction for the category "Big Event Rentals" which is not attributed to specific region.

Revenue for the YTD period (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event rentals	TOTAL
2H23 revenue	13,304	44,934	27,756	-0,221	85,773
Evolution versus 2H22 (%)	18.0%	14.9%	7.1%	-100.0%	6.6%
Variation versus 2H22 (%) at constant currency	18.0%	14.9%	-2.6%	-100.0%	3.4%
2H22 revenue	11,278	39,107	25,914	4,187	80,486

Revenue for the YTD period (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event rentals	TOTAL
FY23 revenue	30,260	86,721	56,347	-0,137	173,191
Evolution versus FY22 (%)	59.7%	28.0%	9.2%	-100.0%	16.9%
Variation versus FY22 (%) at constant currency	59.7%	28.0%	3.6%	-100.0%	15.0%
FY22 revenue	18,952	67,764	51,592	9,850	148,158

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 customers (according to the definition of IFRS 8) in the United States for an amount of EUR 51.0 million (EUR 38.1 million in 2022) and in the United Kingdom for an amount of EUR 19.7 million (EUR 9.6 million in 2022).

3.3. Information on revenue by nature

Revenue can be presented by nature: sale of equipment and other services.

Revenue (EUR thousands)	2H23	2H22	% 2H23/2H22
Sale of Equipment	71,893	64,226	11.9%
Other services	13,880	16,259	-14.6%
Total Revenue	85,773	80,486	6.6%

Revenue (EUR thousands)	FY23	FY22	% FY23/FY22
Sale of Equipment	149,795	118,015	26.9%
Other services	23,396	30,142	-22.4%
Total Revenue	173,191	148,158	16.9%

Other services include the advice, installations, project management, rentals, 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.

3.4. Information on important customers

Over the last 12 months, no external customer of the company represented more than 10% of the revenue (similar in 2022).

NOTE 4: INCOME TAX EXPENSE

(EUR thousands)	FY23	FY22
- Current tax expense	-4,060	-569
- Deferred tax expense	455	-853
Income tax expense	-3,605	-1,422

Income tax expense amounts to EUR 3.6 million for the full year 2023, compared to EUR 1.4 million in 2022. The increase is mainly explained by :

- higher taxable profit (+ 24% compared to 2022), especially in Belgium (36.6 million EUR in 2023 vs 24.9 million EUR in 2022); and
- the limitation on the deduction of tax latencies from previous years in Belgium which leads to a lower amount of deferred tax asset that can be used during the period.

The effective tax rate for the period ended on December 31, 2023 is 8.9%, compared to 4.3% in 2022.

NOTE 5: INTANGIBLE ASSETS

Intangible assets increased by EUR 2.8 million in the period as a result of the capitalization of internal development costs of EUR 4.5 million, partially offset by depreciation expenses of EUR 1.7 million.

The intangible capitalized costs include mainly the internal personnel costs and external consultants' costs related to the development phase of two important projects that should secure future growth for EVS. These projects consist in software that will be commercialized at the end of the development period. For one of the projects, the development period ended at the end of the third quarter, leading to the commencement of depreciation over a period of 5 years. The expected return on investment for the second project is scheduled for 2024, complementing the PlayForward strategy of the Group. The progress of these internal developments is monitored frequently as to ensure the future economic benefit remains assured.

NOTE 6: FINANCIAL LIABILITIES

(EUR thousands)	2023	2022
Long term financial debts		
Bank loans	561	1,675
Long term lease liabilities	9,883	9,853
Total	10,444	11,528
Amount due within 12 months (shown under current liabilities)		
Bank loans	1,114	1,105
Short term lease liabilities	2,782	2,645
Total	3,896	3,750
Total financial debt (short and long-term)	14,340	15,278

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.

In June 2020, a roll over credit line of EUR 5.0 million was also put in place with Belfius bank to partially finance the acquisition of Axon. This amortizing credit line will expire at the end of June 2025. As of this date, EVS has not used this credit facility.

Lease liabilities mainly include office lease contracts at the various affiliates worldwide and employees car leases.

NOTE 7: FAIR VALUE OF THE FINANCIAL INSTRUMENTS

The fair value of the financial assets and liabilities is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents and short-term investments, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;
- Long term fixed rate and variable rate other assets are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are made to account for the expected losses of these receivables. As at December 31, 2023, the carrying amounts of such receivables, net of allowances, are assumed not to be materially different from their calculated fair values;
- The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using the effective interest rates currently available for debt on similar terms, credit risk and remaining maturities. As of December 31, 2023, the effective interest rate is not materially different from the nominal interest rate of the financial obligation;
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly foreign exchange forward and option contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates and interest rate curves.

As at December 31, 2023, the Group held the following financial instruments measured at fair value:

(EUR thousands)	December 31, 2023	December 31, 2022
Assets measured at fair value		
Financial assets at fair value through profit or loss		
Foreign exchange contracts – no hedge accounting	206	324

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques that use inputs having a significant effect on the recorded fair value that are not based on observable market data

All fair values mentioned in the above table relate to Level 2. There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the reporting period.

NOTE 8: 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
2023	1.0815	1.1050
2022	1.0537	1.0666
Variation	2.6%	3.6%

Exchange rate GBP/EUR	Average FY	At December 31
2023	0.8698	0.8690
2022	0.8527	0.8869
Variation	2.0%	-2.0%

NOTE 9: HEADCOUNT

(in full time equivalents)	At December 31
2023	622
2022	613
Variation	+9

At the end of 2023, the Group employed 622 team members (FTE). This is an increase by 9 team members compared to the end of 2022 (613 FTE). In 2023, EVS deliberately limited the increase in team members, as we had a wish to stabilize the workforce after a strong hiring period in 2022. Towards the end of 2023, we accelerated hirings again, given the topline growth. For 2024, we expect a controlled increase in the number of team members as to continue and fuel our future growth.

NOTE 10: EQUITY SECURITIES

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

	2023	2022
Number of own shares at January 1	908,014	925,140
Acquisition of own shares on the market	-	-
Sale of own shares on the market	-	-
Allocation to Employees Profit Sharing Plans	-14,194	-17,126
Sale related to Employee Stock Option Plan (ESOP) and other transactions	-	-
Number of own shares at December 31	893,820	908,014
Outstanding warrants at December 31	680,875	492,975

In 2023, 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 16, 2023 approved the allocation of 14,194 shares to EVS employees (grant of 42 shares to each staff member in proportion to their effective or assimilated time of occupation in 2022) as a reward for their contribution to the Group successes.

NOTE 11: DIVIDENDS

The Ordinary General Meeting of May 16, 2023, approved the payment of a total gross dividend of EUR 1.10 per share for the year 2022.

For the year 2023, an interim dividend of EUR 0.50 per share was paid in November 2023. Full year dividend of EUR 1.10 per share will be proposed to the Ordinary General Meeting of shareholders.

(EUR thousands, gross)	# Coupon	Declaration date	2023	2022
- 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
- Final dividend for 2022 (incl. exceptional dividend) (EUR 1.10 per share excl. treasury shares)	34	May 2023	14,780	
- Interim dividend for 2023 (EUR 0.50 per share excl. treasury shares)	35	Nov. 2023	6,717	
Total paid dividends			21,497	20,112

The latest dividend guidance issued in 2022 foresees total annual dividend distribution of EUR 1.10 per share in 2023 and 2024, subject to market conditions and to the approval of the Ordinary General Meeting of Shareholders.

NOTE 12: RISKS 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).

In terms of new risks arising since the last annual report, we highlight the macro-economic environment, particularly the Middle East and the Red Sea crisis resulting in cargo shipping delays and price increases in the short term. While the situation is difficult to predict in the medium to long term, delays and cost increases are likely to continue into the following months as shipping firms begin to plan for an extended conflict. EVS closely monitors the developments in this area and pro-actively takes actions to keep these delays and 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 international sanctions in vigor.

NOTE 13: SUBSEQUENT EVENTS

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

Certification of responsible persons

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

Certify that, based on their knowledge,

- the condensed consolidated financial statements, established in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets, financial position and results of the EVS Group,
- the press release presents the important events and a fair overview of the business development and the results of the EVS Group in the reporting period.

* acting on behalf of a bv



External Auditor

The condensed consolidated financial statements of EVS Broadcast SA for the year ending December 31, 2023 were authorized for issuance in accordance with a resolution of the Board of Directors on February 22, 2024. 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 2023 annual report that will be published in April 2024.