EVS

ANNUAL REPORT 2023

CEO Interview

CEO Serge Van Herck reflects on a new record-breaking year marked by profitable and sustainable growth, increased customer satisfaction and higher team member engagement, as well as a reinforced commitment to ESG principles.

Read the full interview to delve deeper into these accomplishments.

How do you evaluate the overall performance of EVS throughout 2023?

First of all, I am proud to announce that we successfully achieved our goals of further delivering profitable and sustainable growth. Thanks to our new record revenues and diligent cost control measures, we found ourselves in a strong financial position, even in a year without Big Event Rental revenues linked to certain major international sporting events. Beyond these financial milestones, our success was also demonstrated by the strong increase in our customer Net Promoter Score (NPS), as highlighted in the recent Big Broadcast Survey by Devoncroft. Additionally, the outcomes of our latest team member survey revealed strong commitment and high confidence levels in our company's future. The year was also marked by industry recognition with numerous awards, especially related to technology innovation and ESG, demonstrating the strides we have been taking in pioneering a sustainable industry. Last but not least, our shareholders have seen EVS' market valuation increasing by nearly 30% in 2023, reaching a new 5-year high.

What were the main focal points of EVS' strategy in the past year?

Our commitment to innovation and customer satisfaction remained at the forefront of our profitable and sustainable growth strategy, and we have seen strong affirmation of this at the latest 2023 IBC event in Amsterdam. The feedback we received from our customers, our channel partners and EVS operators on our solution offering and innovations, including the launch of MediaCeption VIA MAP® and our generative artificial intelligence powered live video effects, such as XtraMotion, has been overwhelmingly positive. Our focus on our Live Audience business segment, LAB, delivered 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.

Another primary focus throughout the year was protecting the profitability of our solutions while dealing with inflation and component shortages. The sourcing of components remained an issue, leading us to make the strategic decision to extend our delivery terms, now spanning 20 weeks.

Serge Van Herck / CEO

This not only allowed us to navigate the uncertainties in the supply chain but also provided us with enhanced visibility and planning capabilities. Another challenging endeavor was the launch of EVA, our new Enterprise Resource Planning (ERP) system. With its successful implementation we find ourselves well positioned to further elevate our service standards, streamline operational processes, and respond with increased efficiency to the dynamic needs of our customers on a worldwide scale.

ESG is an integral part of your strategy at EVS. Can you highlight some key achievements and outline the next steps?

ESG has become intrinsic to every part of our business, extending beyond carbon footprint reduction to encompass the well-being of our team members, their attraction and retention, our customer experience, cybersecurity, our local social engagement and much more. We have received several awards and obtained strong results in sustainability ratings. Looking ahead, we remain dedicated to elevating our commitment to ESG across our organization, with the active engagement of each team member central to our strategy. Rather than delegating to a dedicated department, we have an ESG core team made up of talented individuals from every department. They are focused on some very clear targets we have set ourselves for 2030, aligning with our commitment to pave the way for a future that is sustainable and beneficial for generations to come.

What steps is EVS taking to remain at the forefront of the rapidly evolving landscape of live production?

Being proactive in understanding our customers' needs is crucial as we continue to strengthen our leading position in the industry. Our objective is to empower customers to produce live content more efficiently and with superior quality, assisting them in addressing industry transformation challenges. This includes navigating shifts like the move from SDI to IP, the upgrade from HD to UHD, and supporting the adoption of cloud technologies through our Balanced Computing approach. It's also about leveraging the latest technologies such as generative AI to offer solutions that genuinely add value for our customers. The synergy and complementarity of our solutions are pivotal, creating an ecosystem that unlocks new possibilities for our customers.

What are you most looking forward to in 2024?

This year holds special significance as we mark our 30th anniversary. We look forward to celebrating this special milestone alongside those we consider to be extended friends and family, and who have supported us throughout this remarkable journey – our customers, our channel partners, our EVS operators and our own team members. Together, we will take part in numerous celebratory events that will serve not only to honor our illustrious history but also to strengthen relationships and envision a future where EVS continues to lead the live production industry.

We're also anticipating our presence at the most prominent sporting events scheduled for 2024, focused on what we do best: creating emotions and lasting memories for billions of viewers all around the world.

Foreword of EVS Chairman

Dear Shareholders,

I appreciate the opportunity of presenting our annual report for the fiscal year 2023. It is with pride that I reflect on the exceptional achievements of EVS throughout this record-breaking year. Our firm commitment to excellence, innovation, and customer satisfaction has propelled us to new heights.

I am delighted to announce that EVS has achieved unprecedented success in terms of revenue, surpassing all previous records. This achievement not only reaffirms our commitment to growth but also demonstrates the effectiveness of our strategic initiatives and the trust bestowed upon us by our valued clients and partners.

Our dedication to providing reliable and best-in-class solutions for live events continues to garner high praise from our clients. The unwavering reliability of our solutions has consistently ensured the success of our clients' live events, fostering long-term relationships and solidifying our position as a trusted industry leader.

Furthermore, EVS remains dedicated to delivering value to our shareholders. I am pleased to inform you that, despite the challenges faced by the global market, we have maintained our pledge to provide dividends and we have succeeded in creating sustainable profit. This pledge reflects our steadfast belief in creating enduring value for our shareholders.

I am immensely proud of our team, whose dedication and commitment have been instrumental to our success. The high level of involvement and passion exhibited by our team members has been a driving force behind our achievements. Their unwavering dedication to our mission and values is truly commendable.

As we move forward, we remain devoted to our pursuit of excellence, innovation, and sustainable growth. I extend my heartfelt gratitude to our shareholders, clients, and team members for their continuous support and commitment to EVS.

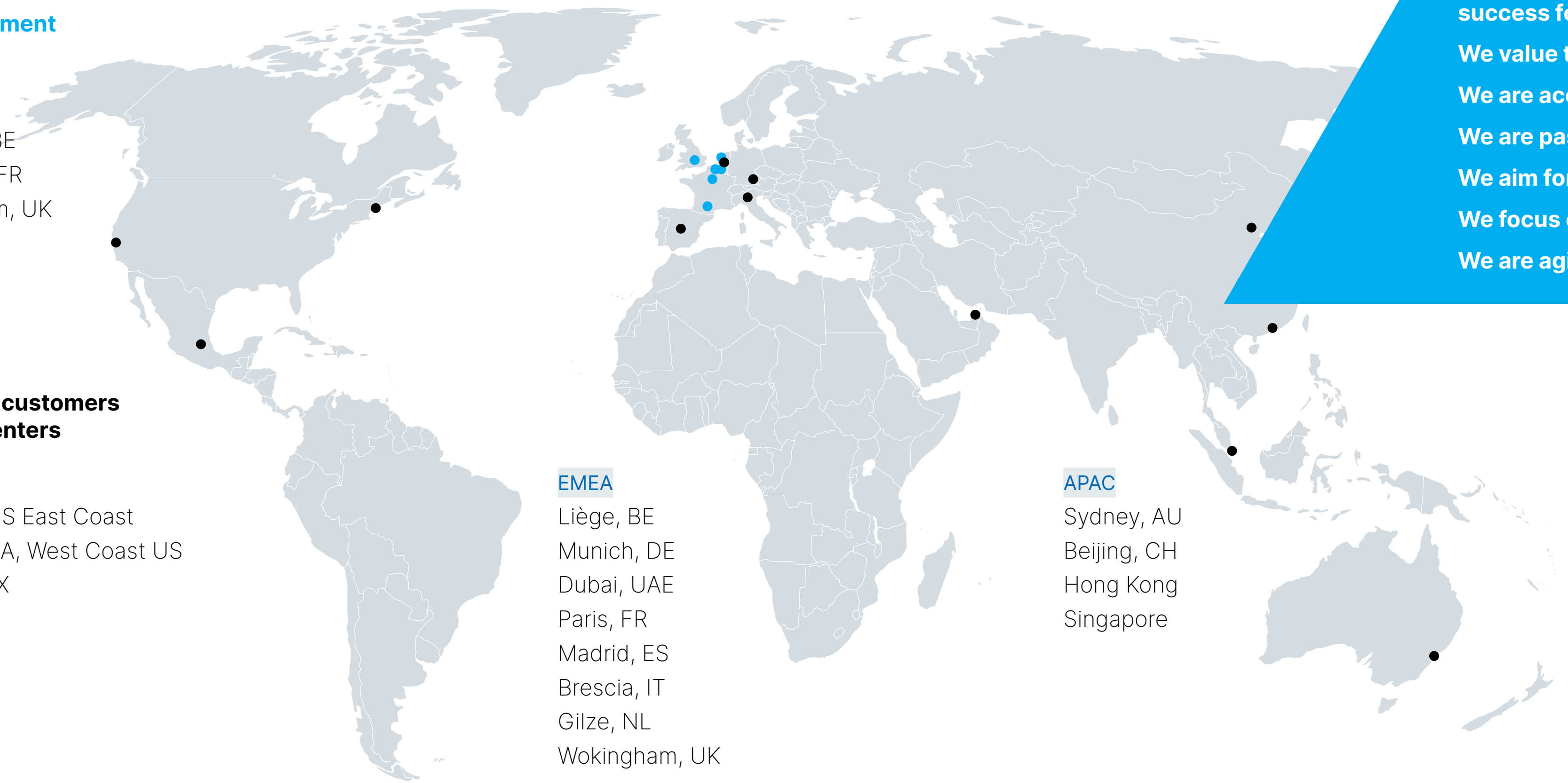
Thank you for your trust. Together, let us embrace the future with confidence and determination.

Sincerely,

Johan Deschuyffeleer
Chairman

Johan Deschuyffeleer / Chairman

International footprint



Our values

We are customer-success focused.

We value teamwork.

We are accountable.

We are passionate.

We aim for excellence.

We focus on innovation.

We are agile.

6 Development centers

Liège, BE
Brussels, BE
Toulouse, FR
Wokingham, UK
Paris, FR
Gilze, NL

Sales and customers service centers

NALA
Fairfield, US East Coast
Burbank, LA, West Coast US
Mexico, MX

EMEA
Liège, BE
Munich, DE
Dubai, UAE
Paris, FR
Madrid, ES
Brescia, IT
Gilze, NL
Wokingham, UK

APAC
Sydney, AU
Beijing, CH
Hong Kong
Singapore

HQ in **Liège**, Belgium

33 Nationalities

€ **41.1** EBIT 2023

Founded in **1994**

642 Headcount EOY 2023

€ **173.2** Revenue in 2023

Publicly traded since **1998**

EVS Strategy – towards a live production ecosystem

In 2019, EVS defined its PLAYForward transformation strategy to cope with the transformation of the industry: changing audience behaviors, adoption of IP & IT technologies and practices, greater flexibility and higher productivity required during live production, new video formats for input and output.

	2015	2023	2028
	From replay centric leading products in premium market	**Optimized media leading solutions**	**Live production ECOSYSTEM in multi-tier markets**
	CAPEX only	More OPEX & On-demand	
	Mainly in OBVans	Growing in broadcast centers	
	EVS Hardware	+ EVS Software	+ EVS SAAS
	Mainly sports	+ Entertainment & news	+ Digital

For the last three decades EVS has been a product leader for live production video replay servers, progressively introducing components into the production workflows around the XT server to build various solutions. The "Big & Hairy Audacious Goal" (BHAG) is to become the number one solution vendor in the live production industry, broadening the scope of our offers. Since 2019 our whole portfolio has been reshaped and extended around LiveCeption, MediaCeption and MediaInfra solutions.

We now plan to strengthen the links between our solutions to build a comprehensive open ecosystem. VIA MAP® (Media Asset Platform), announced at IBC 2023, is definitely a first step in this direction, creating higher value for the customers deploying EVS LiveCeption and EVS MediaCeption. Our ecosystem is planned to further extend to support the OPEX optimization of our customers, facilitating the overall operation, inside their organization and across the value chain.

EVS is a premium brand, delivering superior solutions that focus on comprehensive workflows and unmatched reliability, responding in full to the requirements of high-end productions. On the other hand, we are seeing an increase in productions with less demanding requirements. We are therefore continuously creating solutions to meet the new needs of our customers, and simultaneously address the needs of new customers that were previously unable to afford an EVS solution.

EVS expects most of its organic growth to be fueled by MediaCeption with its very competitive solution for creation of live and near-live content, and by Media Infrastructure, that enables efficient broadcast control, monitoring, conversion, routing, and real-time processing of high quality video and audio signals. EVS expects to grow in NALA (North America & Latin America) - and especially US and Canada – faster than in other regions, thanks to the vibrant local market.

EVS remains committed to advancing its software development and its Balanced Computing approach, ensuring seamless deployment of solutions, either in customer-owned data centers or on public clouds. This flexibility allows for infrastructure management by either the customer or EVS' expert team for some parts of the workflow, as exemplified by our MediaHub® and XtraMotion cloud based solutions.

Over the past five years, with the evolution towards software technologies, EVS has developed new levels of Service Level Agreements (SLAs), answering an ever-increasing customer demand and creating a significant source of revenue. This improvement is crucial for our customers to adapt to the rapidly evolving technological landscape: including changes in browsers, legacy systems, and third-party servers, as well as escalating cyber security demands due to increased risks. These advancements necessitate continuous software evolution to maintain high standards of service and security. Notably, there is a marked increase in the demand for comprehensive SLAs among our LAB customers compared to our LSP customers, reflecting their distinct needs and priorities.

Concurrently, EVS also remains committed to the ongoing development of specialized hardware for critical solution components. This approach is not just about meeting the unique demands of OBVans, which often operate in harsh conditions, but also about embracing energy-efficient FPGA (Field Programmable Gate Arrays) technology to significantly reduce power consumption and our carbon footprint.

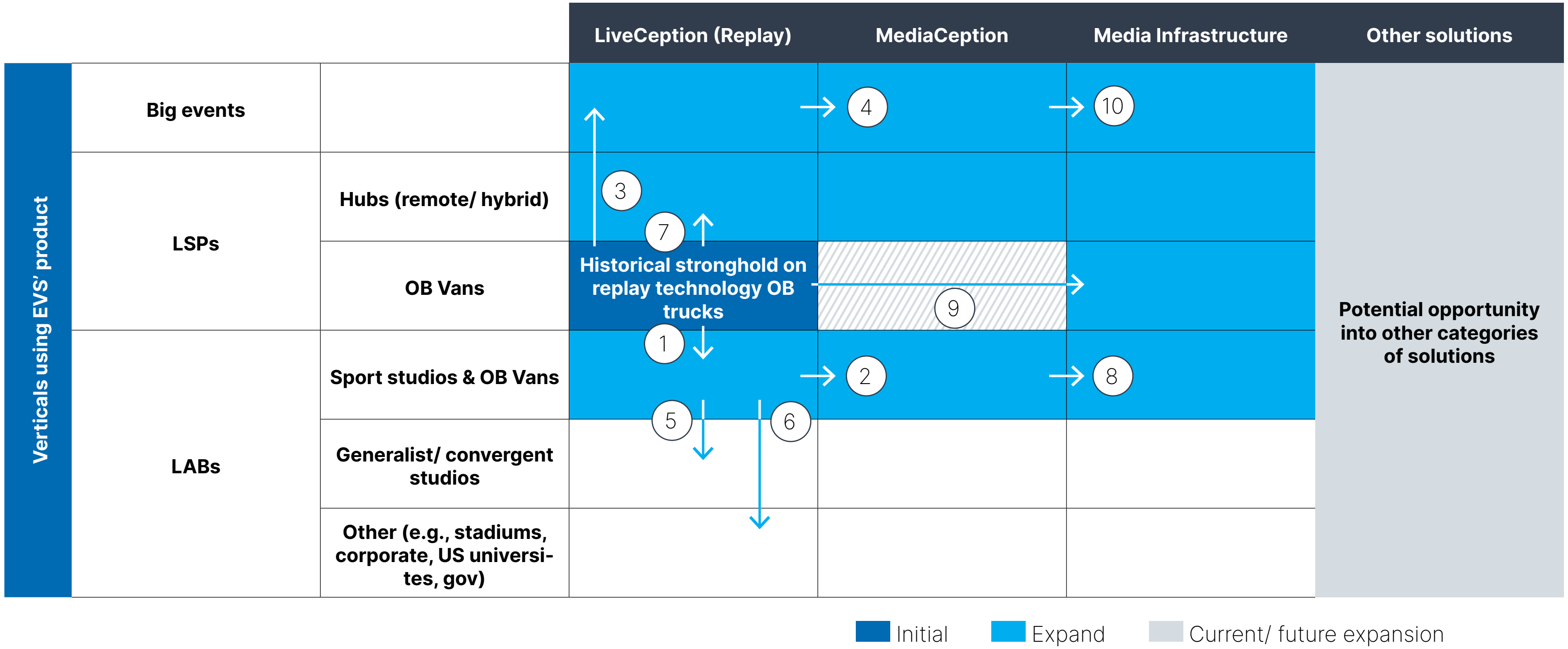
Our growth will also be supported by the adoption of new business models, matching our customers' requirements in terms of flexibility, and offering the opportunity for smaller players to benefit from EVS technology thanks to "on-demand pricing".

The market share of EVS LiveCeption solutions in OBVans iis already significant and provides limited expectations in terms of sustainable growth. However, there is still significant room for growth in our LAB customers, in the broadcast centers and for broadcast level productions run by non-broadcasters (e.g. governments, houses of worship, US stadiums...etc), also automatically increasing our SLA revenues.

EVS has firmly established itself as a leader in live sports event production, with a significant majority of premium sports events utilizing our technology. Building on this success, there is substantial potential for growth in other sectors including news, entertainment, and various show formats, additionally extending into digital realms like social media and OTT channels. Our customers are increasingly seeking to centralize their infrastructure for more efficient resource management. EVS not only provides essential resource management components within our solutions, but our clients also prefer to standardize their production environments based on the most demanding scenarios, such as sports events. In these areas EVS is renowned for its reliability and optimized operational experience, making our technology the preferred choice for clients aiming to meet high-performance standards across all production types.

The BHAG will only be achieved thanks to a combination of organic growth with M&A transactions and strategic partnerships, as proven with the acquisition of Axon that has enabled EVS to take a key position in the Media Infrastructure market. As highlighted in the chart below, we want to repeat the model for further growth beyond the scope of the existing solutions.

REPEATABLE MODEL



1 The customers understood the strengths of the XT server and started to deploy it in their broadcast centers

2 EVS added an asset management product to the XT to manage the life cycle of the content recorded and created on the XT servers.

3 The products have been deployed for Big Events, in the venues...

4 ... and in the International Broadcast Center built for Big Events.

5 Now that broadcasters are developing convergent platforms they select solutions that can cope with the most complex workflows, focused on “fast turnaround content production”, as used in sports.

6 The solutions are also applicable for non-broadcast customers such as stadiums, large corporate companies and governments.

7 When the Live Service Providers started to build hubs to leverage remote production they naturally selected EVS technology, thanks to the early availability of LiveIP servers.

8 Thanks to the acquisition of Axon, EVS structured a set of Media Infrastructure solutions in the broadcast centers.

9 EVS also proved the bi-directional synergies between LiveCeption and MediaInfrastructure within OBVans.

10 In 2022, EVS' Media Infrastructure solution was used for the first time at Big Events.

BHAG and Vision

PLAYForward: A sustainable, ambitious strategic plan for delivering long-term growth

In November 2019, under the drive of Serge Van Herck who had just been appointed as the new CEO of EVS, the new management team set about defining the outlines of their new strategic plan and long-term ambition. It was named PLAYForward, in reference to the market in which the company has been evolving since its creation in 1994. No less than 35 team members, representing the company's various departments and overseas offices, contributed to the development of this plan, which was finalized within less than 8 weeks and presented to the team members in January 2020.

Since 2012, EVS has experienced a plateau in its revenue generation and encountered challenges in discovering novel avenues for growth. While maintaining its leading position in core markets such as live replay in OB vans and production studios linked to live sports, the company had struggled to diversify its product and solution portfolio. Moreover, it has faced difficulties in pinpointing new business opportunities for expansion. The advent of digital technologies worldwide has accelerated since 2015, impacting the broadcast and media companies and prompting them to undergo significant transformations. These transformations involve expanding their live content offerings, accessible across various platforms, to meet the demands of an increasingly discerning and dynamic audience, as well as adapting to the rise of diverse streaming platforms.

Unleashing growth thanks to a collective vision and shared ambition

In the face of this turbulent environment, the PLAYForward program was established primarily aiming to unite all team members around a shared ambition.

> *When a company is going through exponential growth such as that experienced by EVS from the early 2000s to 2012, decisions are increasingly made opportunistically with limited focus on creating an environment that fosters scalable and sustainable growth over the longer term," explains* **Serge Van Herck, CEO of EVS.**

He stresses the need for a simple, unifying ambition that is understood by everyone in the company and the marketplace. Following a thorough analysis of strengths and weaknesses, it is undeniable that EVS' primary strength lies in its ability to provide customers with the most reliable and most efficient technological workflow solutions for producing, enriching, and delivering live audio-visual stories, be it in sports, news, or entertainment.

> *Producing a live program happens under a lot of stress and requires very specific skills and competences, both on the customers' side, where the programs are being produced live, and on our side, where the technology solutions are developed," emphasizes* **Alex Redfern, Chief Technology Officer**.

With this in mind, the teams have swiftly positioned themselves with the clear and ambitious goal of EVS becoming the leading provider of live production solutions in the video and media market by 2030.

Nicolas Bourdon / Chief Marketing Officer

Understanding our own DNA, on which our growth strategy will be based

In crafting our growth strategy, we draw inspiration from the profound insights outlined in the book "Discipline of Market Leaders" by M. Treacy and F. Wiersema that describes various winning business strategies. At the heart of our approach lies the principle of 'customer intimacy,' a cornerstone highlighted as an alternative to 'product leadership' and 'operational excellence'. We believe that comprehending our unique organizational DNA is pivotal to charting a successful trajectory. As Xavier Orri, Chief Experience Officer, eloquently puts it, "Customer intimacy is not just a strategy; it's our essence, embedded in every interaction, product, and service we offer. It's the very fabric of our commitment to understanding and fulfilling the diverse needs of our broadcast customers producing live content." Embracing our distinctive identity, we are poised to build a growth strategy that not only resonates with our organizational DNA but also places customer intimacy at the forefront of everything we do.

Expressing our fundamental purpose, our mission

The mission of EVS has to resonate as the company's very reason for existing, and live on in each and every one of its members, users, customers and partners. "We Create Return On Emotion" reflects the way in which EVS solutions enable unique moments of emotion to be delivered to billions of viewers around the world, every day, and on all types of screens.

Our EVS teams work hard every day to enable production, direction, technical and operating teams to transform every moment captured live as video into a moment of emotion conveyed through every story told live", highlights **Nicolas Bourdon, Chief Marketing Officer.**

Building our future offering with BluePrint Live

The PLAYForward plan should ultimately lead the organization to define the outlines of its strategic vision, the image of the value proposition to be built together in order to achieve the ambition of growth. This vision, called EVS BluePrint, defines the live ecosystem in which live stories are created, managed and distributed, and is addressed through different platforms and tools to the players present in the live production value chain, be they creative, production, technical or engineering teams.

The EVS BluePrint highlights the importance of creating cohesive and integrated production environments, of pooling production resources and technical infrastructures, of dynamically and automatically dealing with management and creation processes (notably via AI), and of managing all instances together, whether they be local, central or in the cloud", notes **Alex Redfern, Chief Technology Officer.**

The BluePrint picture enabled us to rapidly identify our gaps, and to make strategic choices about how to address them. In May 2020, armed with our BluePrint, we made the decision to make our largest acquisition ever by integrating Axon Technologies, now operating under the EVS MediaInfra banner, bringing together all our IP processing, monitoring and routing solutions", adds **Serge Van Herck, Chief Executive Officer.**

Bringing together 30 years of experience, sharing and emotion to build the future: "Together for Live"

On the eve of its 30th anniversary EVS is more ready than ever to take up the many challenges associated with technological, economic and societal changes. Over the past 4 years the company has learned to reposition itself as a solid brand in the broadcast and media market, building its growth strategy on strong values, combined with a vision of solid sustainable growth for all its teams, users and partners. EVS has demonstrated its willingness to be constantly attentive to its customers, involving them in strategic transformation and co-development projects.

Today, we are extremely confident in the future we have built up over the past 4 years around our PLAYForward program, which has enabled us to align all our teams, customers, partners and users around a common project. Our results over the last 3 years confirm that we have made the right choices and reinforce our determination to stay on course, while constantly adjusting the sails that will enable us to continue gaining in efficiency and speed. We are celebrating the 30th anniversary of EVS with serenity and gratitude to all the team members who make this adventure a success every day. "We take pride in unveiling our 30-year EVS tagline, 'Together For Live,' echoing the resounding support for our shared vision", concludes **Serge Van Herck.**

We exist to delight premium live story tellers by delivering them an ecosystem combining live tools, production management applications, flexible infrastructure, implementation and channel partners, related services and operational resources to empower them to create, manage and deliver stories in a faster and better way.

Who We Are

We create return on emotion

The broadcast and media technology company EVS was founded in 1994. Headquartered in Liège, Belgium, the company has a global presence with over 600 team members working in 20-plus offices around the world. In its early years EVS was known for its pioneering work in tapeless television technology, including the launch of the Live Slow-Motion (LSM) system, which rapidly became the standard replay technology for all broadcast sporting events worldwide.

Who we are

As a globally recognized leader in live video technology for broadcast and media productions, our passion and purpose are to help our customers craft compelling stories that elicit the highest emotional response. We strive to deliver the best possible solutions to our customers through our cutting-edge technologies and customer-focused teams, thereby ensuring that they can create engaging and impactful content. We take pride in our industry-leading position and remain committed to driving innovation and excellence in all that we do.

What we deliver

Our technology is used by customers worldwide to deliver live sports images, entertainment shows and breaking news content to billions of viewers in real time. Through our innovative solutions we enable our customers to engage and captivate their audiences with high-quality and impactful content. We are proud to play a key role in bringing some of the most exciting and engaging moments in sports, entertainment, and news to audiences all over the world.

Customer success

EVS has become a key player in the live production industry, offering reliable and innovative technologies and providing first-class support to customers located around the world. Our focus on customer success has allowed us to remain at the forefront of the industry, and we are committed to helping our clients grow as the industry evolves. To deliver on this promise we have continued to invest in the latest technologies, including our pioneering work in IP, artificial intelligence, multiple video resolutions and Cloud-based implementation. Through these efforts we have remained ahead of the curve and have empowered our customers with smart, reliable and scalable solutions that enable them to produce the best live stories today and in the future.

Customers' successes

Throughout 2023, EVS continued its tradition of global success across all market segments thanks to its three main solutions: LiveCeption, MediaCeption, and MediaInfra. At this point we would like to highlight a select few successes from the numerous orders received that exemplify EVS' strong market position.

Videocraft and Cloudbass Invest in Cutting-Edge Solutions:

Two leading entities in the broadcast industry, Videocraft and Cloudbass, recently made substantial investments in EVS' advanced live production solutions, showcasing a shared commitment to enhancing content quality and production efficiency. Videocraft's adoption of EVS' LiveCeption solution signifies its dedication to upgrading live production offerings, including the next-generation XT-VIA live production servers, LSM-VIA remote control units, and the MediaCeption production asset management suite. James Taylor, Director at Videocraft, expressed confidence in EVS' market-leading solutions, stating, "Videocraft has had a long relationship with EVS, and when we looked to the next generation of production technology solutions, we found EVS' market leading solutions and support to be the best choice in enabling our clients to deliver the most immersive viewer experiences." Similarly, Steve Knee, Managing Director of Cloudbass, praised EVS for its reliability and customer support, affirming that "EVS is, without doubt, the leading manufacturer in this sector."

EVS Enhances Oman TV Studios:

EVS further demonstrated its prowess by deploying the MediaCeption Signature solution for the Oman Ministry of Information's TV studios, facilitated by United Broadcast and Media Solutions. This end-to-end live production asset management system includes server, network, and hyper-convergence infrastructure (virtualization), meeting Oman TV's need for interoperability and space optimization. Mahmoud Mirza Albalushi, Project Manager of the Oman TV site in Muscat, praised EVS' MediaCeption solution for enabling swift access and management of live production assets, enhancing operational efficiency.

Mediapro Adopts EVS Technology for Event Coverage:

Mediapro Group, a prominent broadcast production services provider, selected EVS' LiveCeption solution and MediaInfra Strada for constructing IP-based Fly-Away kits to cover live events. This strategic deployment underscores Mediapro's commitment to leveraging cutting-edge technology, including Cerebrum, Neuron, and the new MultiViewer, to enhance production capabilities.

Key Factors Driving EVS' Success:

EVS' success can be attributed to several key factors, as highlighted by client surveys. These include customer intimacy, reliability, support services, product reputation, innovation, native IP integration, ease of use, and long-term confidence in EVS.

In summary, EVS' achievements in 2023 exemplify its commitment to innovation, customer satisfaction, and excellence in providing solutions that meet the evolving needs of broadcasters globally.

NPS for Evaluating Customer Satisfaction

In the domain of customer success at EVS, we employ the Net Promoter Score (NPS) as a pivotal metric to gauge the satisfaction and advocacy our customers hold for our brand. In the recently concluded 2023 evaluation, conducted independently by Devoncroft Partners, our NPS proudly stands at an impressive 42.3. That is 40% higher than in 2022 (NPS of 30.2) and over 240% higher than in 2021 (NPS of 12.4). This robust and increasing score serves as a testament to the strengths of our customer relationships, reflecting the unwavering commitment to excellence that defines EVS.

This external validation affirms the trust and satisfaction our customers consistently experience with EVS. It also highlights our dedication to the core tenets of customer success, reinforcing our position as a reliable partner in meeting their needs and expectations.

Looking ahead to 2024, our aspiration is to sustain this positive momentum by maintaining our NPS at 30, or above. We also have the ambition of placing EVS within the top 25% of our industry, showcasing our ongoing commitment to delivering exceptional customer experiences and solidifying our standing as a leader in the market. As we embark on the upcoming year, we remain steadfast in our pursuit of excellence, ensuring that every interaction with EVS leaves a lasting and positive impression on our valued customers.

Our Operators

Our Commitment to Customer Intimacy and Enhanced User Experience

Our journey of growth commenced three decades ago with a dedicated focus on empowering users to convey compelling narratives and deliver captivating images effortlessly. As a technology-driven company, we furnish the tools that empower a global community of live production professionals, facilitating the discovery, narration, and enhancement of storylines for live events and shows. At EVS the passion for our industry, and the people who operate our technology on a daily basis, continues to fuel our growth and our successes; whether it be at a Broadcast Center site producing the daily news in Australia, a baseball playoff match in Arizona, USA, or a tennis championship series in Paris, our EVS team members are everywhere, supporting our community of users and engineers.

...Globally connected users

EVS boasts a widespread global presence, with our products and solutions influencing many productions daily. These productions encompass a myriad of shades and perspectives of the users themselves, representing the diversity of our community at large. We actively cultivate and celebrate the unique qualities of our community members — be it their viewpoints, cultural backgrounds, or diverse upbringings, which collectively contribute to a rich collaborative environment. Our commitment to growth is exemplified through initiatives such as our partnership with the HBS Broadcast Academy, in which EVS provides educational systems and staff to simulate real world learning about the production industry. Through these initiatives, we activated a new partnership with the Concacaf W series in partnership with Always (Proctor and Gamble) to encourage more women to pursue careers in our industry of sport and live production. Irrespective of the country, or upbringing, we extend our support to every local community of operators, recognizing the strength that these differences bring to both our company and the broader industry.

Our community of EVS operators is dynamic, with members actively supporting each other's success. Through digitally-connected platforms, global meet-ups, and personal networks, they collaborate and share experiences. Our EVS Ambassador program represents one of the examples of how we connect our leading users in the industry to enable learning, and coordinate a peer-to-peer activity of our users. By activating these top voices, and connecting them with active users, EVS is fostering the continued growth of our industry, we help to encourage new emerging professionals and advanced skillsets and continuous learning of our community.

Core of our customer intimacy success

In an ever-evolving market, our users and EVS operators constitute the core of our success. We closely align their needs with the foundational evolution of our products, solutions, and services. Our EVS team members immerse themselves in the production world, actively engaging with and observing our customers during live productions to harness their ideas and feedback. We maintain a 'why?' mindset in all that we do, encouraging continuous dialogue that enables us to better understand the inherent challenges faced by live production facilities and operations today. With hundreds of ideas collected each year, this approach allows us to connect our internal staff to the daily realities of our customers, enhancing the creative aspects of television. Building a Connected Community.

Every shade and every perspective

Our user community spans the globe, and we take pride in their ability to come together to produce innovative outcomes. Recent events, such as those covered by our customers at Fox Sports during the Super Bowl or the Women's World Cup in Australia, serve as exemplary instances. While EVS technology serves as the enabler, it is the collaborative effort of engineers and users who bring these systems to life. From on-the-ground support by EVS operation members to the implementation of customized panel designs and system flows by design engineers, and the day-to-day operation by — it is the collective effort of our user community that ensures the system's optimal performance.

EVS Channel Partners

Two years ago we launched a new Channel Partner program, and this report provides an overview of the achievements of our channel partner ecosystem, highlighting its pivotal role in our business success. Channel partners remain a cornerstone in expanding market reach, enhancing customer satisfaction, and driving revenue growth. This report delves into key accomplishments, challenges, and future strategies.

Aligned with our strategic vision, EVS is dedicated to identifying and onboarding channel partners that share our goals, aiming for 100% market reach. The EVS Sales Enablement team focuses on empowering partners with tailored tools, support, and incentives to drive success for both EVS and our partners. Channel Partner Managers in each region optimize communication, ensuring effective global promotion of EVS solutions.

Key Achievements:

Success stories with partners such as QVEST, Diversified, and Magna Systems showcase groundbreaking projects, from cutting-edge IP systems to the first 4K IP OB Van in Southeast Asia. Channel partners played a pivotal role in securing significant project wins in the University and Stadium markets, as well as promoting SLAs (Service Level Agreement) to sustain growth.

Revenue Growth:

In 2023 EVS experienced a substantial increase in business through indirect channels, marking a progression in total business volume. Notably, in the USA, indirect revenues more than doubled, reflecting the success of our strategy to engage more through channel partners.

Market Expansion:

Channel partnerships facilitated market expansion beyond sports, enabling penetration into Corporate, House of Worship, News, and Government sectors. Media Infrastructure sales in the USA demonstrated a significant shift, constituting close to 30% of total revenues.

Partner Performance:

Recognition of top-performing partners based on KPIs such as sales volume, customer satisfaction, and market share underscores the value of our partnerships. Ongoing training and certification initiatives ensure partners have the tools and knowledge needed for effective representation.

Future Strategies:

Future plans include geographical expansion, technology integration, and enhanced incentive programs. As the industry shifts towards IP, EVS focuses on closer collaboration with System Integrators capable of handling complex, multi-vendor projects.

This report encapsulates the success of the channel partner program, expressing gratitude for the dedication of our partners. EVS remains steadfast in fostering mutually beneficial relationships and looks forward to continued success in the years ahead.

Our Solutions

A solution for every broadcast need

As we reflect on the past year, our commitment to innovation and customer value has driven transformative developments across our comprehensive suite of solutions. In alignment with our PLAYForward strategic growth initiative established in 2019, we have not only sustained but elevated our transition towards a solution-centric approach and the emergence of a premium live ecosystem.

LiveCeption

Live production, replays and highlights

LiveCeption® offers the best-in-class live production, replay, and highlights solution to meet any production requirement. Seamlessly integrating advanced production tools with the latest technological advancements, LiveCeption is designed to help our customers deliver high-quality productions and enhance their visual storytelling, irrespective of scale or budget.

Solution highlights:

Generative AI-driven XtraMotion wins NAB Product of the Year Award

XtraMotion®, which uses generative artificial intelligence to create super slow-motion replays from any camera, was recognized with a prestigious Product of the Year award at NAB 2023. This marks XtraMotion's fifth award since its launch in 2021, underscoring the growing relevance of generative AI in live production. Our latest whitepaper, titled 'Beyond slow-motion: Enhancing live replays with AI-powered special effects', delves into additional applications of generative AI for enriching storytelling in live production.

Learn more

Cloudbass invests in XT-VIA servers for enhanced broadcasting services

In a significant move, Cloudbass Limited, the largest independent dedicated Outside Broadcast company in the UK, made a substantial investment in a new fleet of XT-VIA® live production servers. This strategic acquisition, coupled with LSM-VIA® remote control units, enhances their broadcasting capabilities and reinforces their commitment to delivering top-tier, cutting-edge broadcasting services for their customers.

Read more

MediaCeption

Content management for live productions

MediaCeption® empowers customers to instantly access, manage, and turn around live production assets from any location. Designed for fast-paced live environments, this solution enables production teams to manage multiple live feeds, import files and efficiently log and manage content. The modular architecture facilitates tight integration with third-party Media Asset Management (MAM), automation, archive, and post-production systems, fostering efficient collaboration between on-site and remote production teams.

Solution highlights:

Oman TV chooses MediaCeption for swift multi-site content management

Oman TV strategically implemented our MediaCeption solution as part of a significant infrastructure upgrade, fostering seamless collaboration between on-site and remote production teams. This setup has streamlined content retrieval, ensuring swift access and playback in studios, thereby enhancing efficiency in news and studio production operations.

Learn more

EVS, Adobe and LucidLink join forces for streamlined remote workflows

Showcased at NAB 2023, the collaborative integration of EVS, LucidLink, and Adobe enables creative teams to ingest live events, edit, and stream content in as close to real-time as possible, transcending geographical constraints. Employing our Balanced Computing approach, this integration delivers faster and more efficient workflows for production teams, ensuring they can work seamlessly from any corner of the globe.

Learn more

MediaHub®

Web-based content exchange and distribution

MediaHub® is a web-based platform that maximizes the global reach of live events through online publishing, archiving and distributing content in non-linear and near-live formats. This platform allows users to easily access, browse, clip, and deliver content from various camera angles and locations, all in real-time. Serving as a virtual alternative to conventional International Broadcast Center (IBC) infrastructure, MediaHub® empowers content owners to monetize their assets through a user-friendly web interface, with a level of quality and reliability comparable to on-site operations.

Solution highlights:

RBFA uses MediaHub® for efficient content sharing and distribution

The Royal Belgian Football Association (RBFA) has embraced MediaHub® to streamline content sharing and distribution workflows, ensuring quick and easy access to their media assets from any location. This deployment facilitates rapid retrieval of footage for internal teams and external stakeholders alike. Moreover, the solution empowers the federation to optimize commercial opportunities and enhance the experience of thousands of Belgian football fans.

Watch video

MediaInfra

Infrastructure management and processing

Our MediaInfra solution offers advanced capabilities in broadcast control, monitoring, conversion, routing, and real-time processing. Tailored for SDI, IP, and hybrid broadcast infrastructures, MediaInfra offers unparalleled capabilities, creating broadcast environments that are not only reliable and flexible, but also easy to maintain. Customers benefit from a progressive and secure transition pathway to the innovative landscape of IP technology.

Solution highlights:

Introducing Neuron View, a power efficient multiviewer

Accommodating a wide range of audio and video processing needs, Neuron Network Attached Processor (NAP) has expanded its capabilities with the introduction of Neuron View, a low-latency and power-efficient multiviewer enabling users to monitor multiple IP streams simultaneously. Beyond enhancing usability and streamlining operations in live environments, Neuron View also contributes to reducing Total Cost of Ownership (TCO).

Learn more

Fox Sports Jewel Event system powered by MediaInfra Strada

Our MediaInfra Strada® IP routing solution was seamlessly integrated into FOX Sports' Jewel Event system (FSJE), powering the biggest events of 2023. Designed for easy transport via airplane, rapid deployment, and flexibility, FOX's innovative 2110 flypack broadcast system provided the ability to operate at multiple events within a short timeframe, by extending their at-home production capability through a mobile data center. MediaInfra Strada served as the backbone infrastructure and orchestrator for these large-scale operations across multiple continents, facilitating uninterrupted 24/7 signal flow for the flagship 'Jewel' events, and demonstrating the trust and reliability of our routing solution.

Learn more

PowerVision®

PowerVision® is the EVS Video Assistant Referee (VAR) solution suite that provides multi-camera review and data analysis for sports. It equips service providers with advanced tools to allow sports organizations to benefit from monitoring and analysis capabilities during competitions. Using live footage and data, PowerVision® ensures that officials and medical teams can make quick, informed decisions with accuracy and reliability.

Solution highlights:

Renewed FIFA VAR and OT certifications for Xeebra

Our Xeebra® multi-camera review system successfully renewed FIFA's Offside Technology (OT) and Video Assistant Referee (VAR) certifications. A great achievement which demonstrates the system's reliability for ensuring accurate decision-making during matches.

Learn more

VIA MAP®

A transformative milestone in our portfolio

The unveiling of VIA MAP®, our innovative Media Asset Platform at the IBC 2023 show, marked a significant step forward in our offering. Reinforcing our shift from a product-oriented to an eco-system approach, VIA MAP® serves as a gateway, seamlessly connecting live content creation and production with distribution and monetization. The platform acts as the foundational backbone facilitating robust integration between our solutions and is built upon three core engines: the Core Engine for ingest, playout, and search/browse; the Data Engine, responsible for data generation, AI assistance, and automation processes; and the Gate Engine, offering APIs for streamlined management, monetization, and seamless integration with third-party solutions.

Learn more

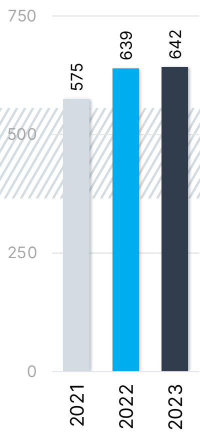
Our Team Members

At EVS we firmly believe that our team members make the company successful. Their performance, their well-being, their knowledge and skills all have a direct impact on our reputation, our customer satisfaction and, ultimately, our financial performance.

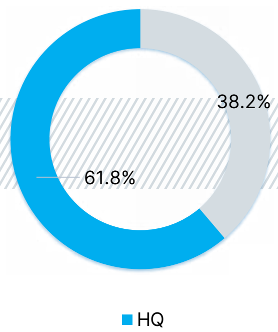
Beyond the many benefits and opportunities we offer, we pride ourselves on successfully cultivating a corporate culture that team members are excited to remain part of. A culture where they are valued, innovation thrives and customer success is achieved."

Pierre Matelart, Chief People Officer

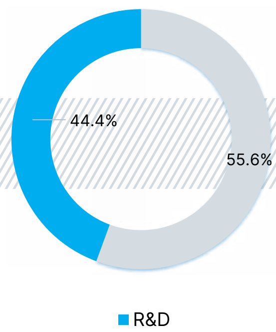
Headcount



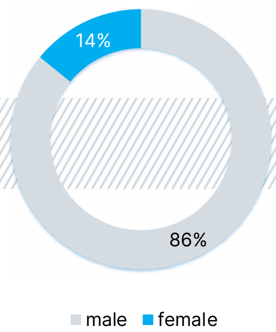
387 based in HQ



285 of R&D



Distribution per gender



tmNPS score

55

We hired

69

team members in 2023

Level of engagement

91%

EVS Skippers Team

The EVS Skippers Team was launched in 2020 at the initiative of the Leadership Team. This group, composed of the direct reports to the Leadership Team, was created to facilitate communication between the Leadership Team and the rest of the organization.

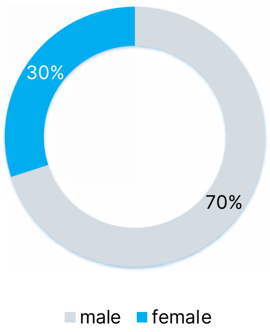
Towards the end of 2023 we decided to empower this group so as to become a cross-functional team that is the driving and transformational force we will use to reach our BHAG. EVS will continue to put this group of Team Members in the spotlight, to further empower them and attain our growth ambitions.

EVS Board of Directors

The EVS Board of Directors establishes, guides, and oversees EVS strategic direction. Their responsibilities include strategic planning, risk management, executive compensation, and compliance. Comprising 9 highly qualified members with diverse expertise across various domains, the board convenes a minimum of six times annually to deliberate on these matters.

The EVS Board of Directors fulfills gender diversity criteria with the presence of three women on the board.

Diversity at Board level



From left to right:

Soumya Chandramouli, Michel Counson, Frédéric Vincent, Anne Cambier, Johan Deschuyffeleer (Chairman), Martin De Prycker, Chantal De Vrieze, Marco Miserez and Serge Van Herck (CEO).

EVS Leadership Team

The Leadership Team takes on the operational responsibility for EVS activities and acts under the supervision of the Board of Directors.

We firmly believe that a vibrant and energetic Leadership Team is key for the company's growth and stability. This team, operating under the CEO's supervision, consists of key leaders from diverse positions and regions.

From left to right:

Serge Van Herck (CEO), Veerle De Wit (CFO), Xavier Orri (CXO), Pierre Matelart (CPO), Nicolas Bourdon (CMO), Quentin Grutman (CCO) and Alexander Redfern (CTO)*.

*Representing a SRL/BV

Well-being

EVS supports a culture of well-being that encompasses several pillars – physical, personal, financial, emotional, corporate culture and social health.

Our commitment to holistic well-being is not just a statement but a guiding principle that shapes every aspect of our organization.

At EVS our commitment to fostering a culture of well-being is built upon a robust framework encompassing multiple and essential themes. We are convinced that genuine well-being reaches far beyond just physical health; it reaches into the intricate tapestry of individuals' lives. Our focus is on fostering multiple dimensions, guaranteeing a comprehensive and supportive atmosphere for everyone involved.

Physical Health: Whether it is through fitness programs, ergonomic workspaces, or access to healthcare resources, we strive to empower our team members to prioritize their physical well-being.

Personal Well-being: We encourage a supportive atmosphere where team members can pursue their passions, interests, and personal development. We value a positive work-life balance, providing opportunities for learning, and supporting personal aspirations.

Financial Stability: We believe that financial well-being is fundamental to overall wellness.

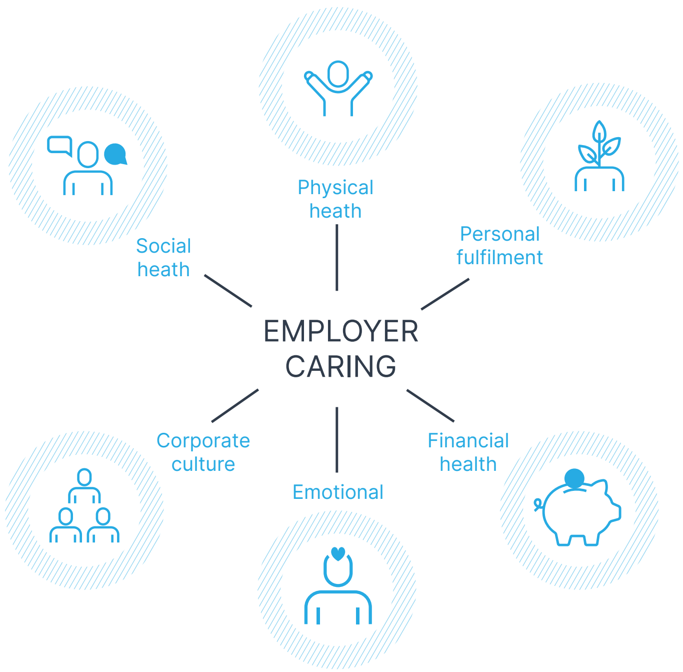
Emotional Resilience: We are committed to destigmatizing conversations around mental health, offering resources, counseling services, and creating a compassionate environment where team members feel comfortable seeking support when needed.

Corporate Culture: Our culture is defined by inclusivity, respect, and collaboration. We foster an environment where diverse perspectives are valued, where every voice is heard, and where mutual respect forms the bedrock of our interactions.

Social Health: We acknowledge the importance of social connections for well-being. Through community engagement programs, team-building activities, and initiatives that encourage camaraderie, we cultivate a sense of belonging and social support among our team members.

Together we are building a culture that prioritizes well-being—a culture that not only supports individual growth but also fosters a sense of belonging and collective success. At EVS well-being is not just a concept, it is the cornerstone of our ethos, driving us to create a nurturing and thriving environment for all.

Read more in the sustainability report here



Top Employer

For the second consecutive year, we are proud to announce that we have been honored with the esteemed recognition of being named a 2024 Top Employer. This accolade stands as a testament to our unwavering commitment to fostering an exceptional workplace environment that prioritizes the well-being and growth of our invaluable team.

Read more

Building a Sustainable Future: Our Commitment to Progress

We are heading towards specific goals for 2030 in our determined effort to do better for the environment, society, and our business. We are focused on making sure our actions are responsible and good for people too, as we move towards a more thoughtful future. Our main focal point is on improving things for everyone, especially in ways that involve people themselves.

For the 'People' aspect of a sustainable future, our aspirations are deeply rooted in fostering a workplace culture that prioritizes team member well-being, growth, and satisfaction. We have set a bold target: to secure a position among the top 50% of Top Employers in Belgium by 2030. This goal underscores our unwavering dedication to creating an environment where every team member feels valued, supported, and empowered to thrive.

Moreover, in our endeavor to measure and enhance team member satisfaction, we proudly launched a Team Members Net Promoter Score (tmNPS) survey at the end of 2023. This survey will serve as a pivotal tool for understanding the sentiments and perspectives of our invaluable team members. It enables us to listen, learn, and adapt, to ensure that our workplace continually evolves into a space that nurtures growth and satisfaction.

With our longterm vision in mind, we have set a definitive benchmark for success: keeping a score of 30 or more in our Team Members NPS by the year 2030.

Our commitment to the 'People' aspect of sustainability goes beyond mere numbers, it encompasses a deep-rooted belief in the power of collaboration, empathy, and continuous improvement. By nurturing a workplace culture that values diversity, prioritizes well-being, and encourages professional development, we aim to not only meet but exceed the expectations of our team members.

Read more in our sustainability report here

Creating Value for our Shareholders

Creating value for shareholders is a fundamental goal of EVS: we continuously strive to provide an optimal return on investment.

Our value creation strategy evolves around the following topics:

Sustainable and Profitable Growth:

EVS aims to achieve growth in its topline performance. Growth in order intake, revenue, and backorder rates are important key performance indicators for our business. The goal is to grow organically, above and beyond the impact of Big Event Rentals. Our PLAYForward strategy helps us to ensure we capture this organic growth.

In addition to organic growth EVS also has a sound Mergers & Acquisitions (M&A) ambition; but the right acquisition is key, allowing us to expand our portfolio with our existing customer base. Whilst executing our M&A strategy our focus is on combining the strengths of EVS with a potential target organization, in order to ensure synergies which support future growth.

Improved Profit Margins:

EVS systemically focusses on margin improvement for each of its solutions, so as to enhance the contribution of each one to our net profit. We already have processes in place to manage price increases, they proved their effectiveness again in 2023. Additionally, we closely monitor the profitability of our solutions: this is a cross-departmental quarterly exercise whereby we focus on clear business decisions. Business decisions include, but are not limited to, finding new ways of sourcing, designing, assembling and producing our solutions. The goal of all these initiatives is to optimize the absolute value of our gross margin.

Strong Dividends:

EVS aims to deliver a steady dividend policy for its shareholders, thereby ensuring a direct financial return on their investment. The dividend policy is a careful balance between a direct return on investment and a return on capital used to fuel future growth.

Strategic Investments:

Strategic investments are made with the goal of fueling future growth. As previously mentioned, EVS has a sound M&A strategy aiming to capture additional business from our existing customers. In addition to M&A, we can also decide to launch long-term development tracks (intangible assets). In both cases decisions will be made based on return on investment, ultimately leading to value creation for our shareholders.

Innovation, and Research & Development (R&D):

EVS continuously develops new features for its products and solutions. Such continuous development is required to stay ahead of the competition, by continuously innovating and bringing new and improved offerings to the market.

Environmental, Social, and Governance (ESG) Practices:

Corporate sustainability is central to EVS' strategy. We have a long-term commitment to the environment, our team members, and the communities in which we operate. We constantly practice and demonstrate this commitment through various initiatives that create an impact for the wider world.

A materiality matrix has helped EVS identify the challenges that are most important to us. Our actions largely evolve around the following themes:

> *Securing profitable and sustainable growth requires a delicate balance: the brand must have substantial traction in the market, while the corporate level must maintain a relentless pursuit of excellence, continuously monitoring our trajectory to ensure we're headed in the right direction. This is the reason we focus on the fundamentals of our company and get the right things right."* **Veerle De Wit, CFO**

Veerle De Wit, CFO

Planet

Leadership Team member:
Alex Redfern

Customers' Carbon Footprint

50% reduction in carbon footprint of our products per € sold (baseline 2021) - aligned with SBTi (unit: tCO_2e/M€ revenue)

Leadership Team member:
Veerle De Wit

Company's Carbon Footprint

55% reduction in carbon footprint of our company per € sold (baseline 2021) - aligned with SBTi (unit: tCO_2e/M€ revenue)

People

Leadership Team member:
Pierre Matelart

Talent Management & Diversity, Equity and Inclusion

Be in the top **50%** of Top Employers in Belgium

Maintain an employee NPS of **30 or above**

Communities

Leadership Team member:
Nicolas Bourdon

Customer Experience

Achieve an **NPS Devoncroft Score** of **30 or above** (in the "great" range) and be in the top **25% of our industry**

Local Social Contribution

80% of Charity Days used

Governance

Leadership Team member:
Veerle De Wit

Cyber Security

Maturity Level 2 of the CyberFundamentals Framework.

Sustainable Supply Chain

100% of our direct (High Risk & Medium Risk) suppliers rated by **EcoVadis**

50% of our direct (High Risk & Medium Risk) suppliers reach at least **a bronze medal in EcoVadis**

Leadership Team member:
Quentin Grutman

Business Ethics

100% of employees trained on Code of Conduct

100% of our direct (high and medium risk) suppliers accept and respect our Code of Conduct (or equivalent)

Our efforts in terms of sustainability are paying off: in 2023 we were awarded a silver medal from EcoVadis and we were rated as a "low risk" company by Sustainalytics. EVS was also recognized within the industry as being a leader in the subject of ESG when it received the IBC Corporate Star award.

Strong Corporate Governance:

At EVS we strongly believe in doing the right things in the right way. As part of our PLAYForward strategy we have been focusing on putting some basics right, aiming to ensure the optimal efficiency of our company. Some examples of our efforts over the past years:

- We have documented and structured our processes (Business Process Management) allowing us to grow and evolve from a solid base: when we implement changes we rapidly grasp the end-to-end impact on all team members involved. This allows us to continuously focus on improvements and optimize our way of working.
- As a company we defined our Target Operating Model (TOM) in 2023: this model depicts the ideal way of working for our company, and allows us to prioritize changes within our operating model. This brings focus into the organization to drive change.
- We have deployed a new ERP system on a worldwide scale, it puts our customers at the center and focuses on cross-departmental workflows.
- We have structured the way we look at our business cases and the return on investment of projects and developments.
- We have improved our way of managing growth and operational expenditures.

All these initiatives ensure we structure our decision-making process and we achieve the best return on investments.

In addition to getting the basics right, we have also implemented transparent and ethical business practices. We also want to ensure that these business practices are also spread to our suppliers and customers as part of our ESG ambition.

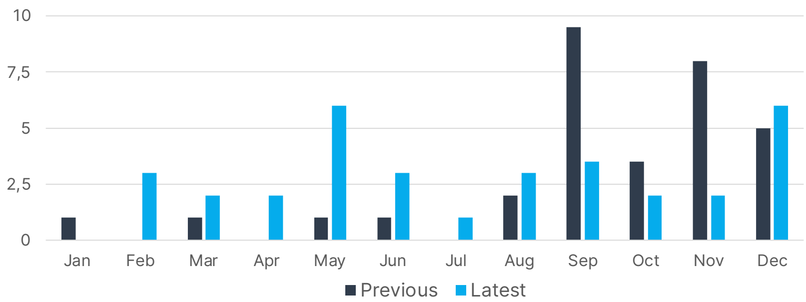
Effective Communication:

EVS strives to keep shareholders and potential investors informed on a regular basis through transparent and direct communication about the company's performance, strategies, and future plans.

Our investor relations metrics demonstrate the increased activity of our interactions in comparison with the previous year.

Events	Firms	Contacts
34	47	73
Chg vs Prev Yr 2	Chg vs Prev Yr 6	Chg vs Prev Yr 6

Number of Events



Event Type	# Events	Chg vs Prev Yr
Phone Call	17	4
In-Person Meeting	8	-4
Roadshow	8	1
Conference	1	1

Source: IR Insight Nasdaq Connect

EVS hosted its first Investor Day in November, the first in a considerable time. All shareholders were invited to the EVS HQ in Liège. The goal of the day was to explain our market and our strategy in greater detail; explain how we see the future and the realization of our Big Hairy and Audacious Goal (BHAG) of becoming the number 1 solution provider in the Live Production Industry.

Risk Management:

EVS has designed an overall risk management framework since early 2022. The goal is to proactively identify the risks that are applicable to our company and our industry. We assess the impact of them on our business, and the probability of those risks occurring. Both parameters lead to an inherent risk assessment that allows us to focus on the risks that are most important for our company. We identify a mitigating action for each risk and we pro-actively monitor those actions in order to ensure protection of shareholder value and to avoid significant losses.

Team Member Engagement:

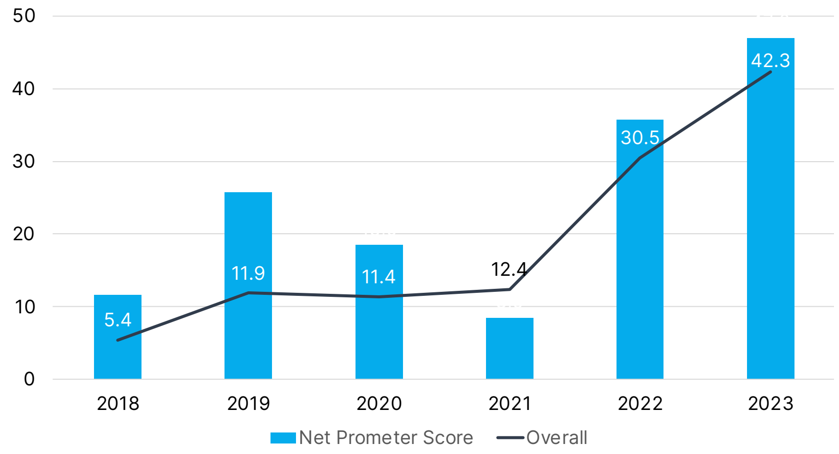
Team members are the key asset of our company, and we are convinced that committed and motivated team members contribute to the overall success of a company. We run annual engagement surveys and quarterly Team Member Net Prometor Score assessments. In 2023 we were also awarded Top Employer in Belgium for the first time in our history.

Customer Satisfaction:

Customers are key to our success as a company, which is why we focus strongly on customer experience: satisfied customers are more likely to be repeat customers, and can contribute to positive word-of-mouth communication, enhancing the company's reputation and value.

Customer satisfaction within the broadcast industry is measured, on an annual basis, by Devoncroft Partners; who survey the market and publish a Net Promoter Score (NPS). This score defines how likely a customer or partner is to recommend the business to a friend or a colleague. A good NPS starts at zero, and a figure above 30 on the NPS is considered as being great.

In 2023, EVS obtained an NPS of 42.3 following an impressive evolution over the previous years. This testifies to our reputation and brand recognition within the market.



Source: Net Promoter Score, 2023 Big Broadcast Survey by Devoncroft Partners

Long-term Vision:

It is important for us to demonstrate to our shareholders that we have a well-defined vision and a strategic plan for sustainable growth. EVS is a strong brand, known across the world for its technological leadership and its reliability in providing live video technology for broadcasters and new media production companies. Our passion and purpose are to help our customers craft compelling stories that trigger the highest return on emotions.

In 2023 we communicated extensively about our long-term ambitions and shared openly to the market our BHAG of becoming the number 1 solution provider in the Live Production Industry.

Shareholders' Information

EVS Shares

EVS capital is represented by 14,327,024 shares without a nominal value.

Since December 15, 2011, EVS shares have been dematerialized (registered or book-entry shares). The securities in bearer form issued by the company, which would not have yet been registered on a securities account, have automatically been converted to book-entry securities as of that date

Stock Market and Listing

EVS shares are listed on the continuous Euronext Brussels market under ISIN code BE0003820371.The first listing was in October 1998 at a price of EUR 7.44 (EUR 37.20 before split on June 5, 2005).

EVS is, amongst others, part of the Euronext BelMid and Euronext Tech Leaders indices. EVS is also eligible for the Equity Savings Plan in France ("plan PEA") and for the Equity Savings plan for Small and Medium-Sized Enterprises in France ("plan PEA-PME").

The maximum value reached by the stock price in 2023 was EUR 29.50 on December 27, and the minimum value of EUR 21.00 was recorded on July 10. On December 31, 2023, EVS had a market capitalization of EUR 413.3 million with a share price of EUR 28.85. The value of EVS shares rose by 29.7% in 2023.

EVS Engagement with the Market

EVS regularly engages with its shareholders and the market. We consider it an important mission to create transparency and clarity for our shareholders and the market. We spend time with the market to ensure they understand our environment and understand the dynamics of our company.

In 2023, EVS continued its effort to create transparency around the company strategy and the market potential. We continued our engagements with existing shareholders and reinvented the way we reach out to new investors. We also organized our first Investor Day in November 2023, expanding our efforts from the Analyst Day organized in 2022 to a broader audience.

EVS will continue its efforts to reach existing and new shareholders in 2024. A second Investor Day is planned for 2024 with the objective of also reaching private investors, in addition to institutional investors and analysts.

Dividends

EVS considers it important to provide our shareholders with long term perspectives with regard to return on their investment. In that framework, the dividend policy is an important angle of our overall shareholder engagement.

In 2018 the Board of Directors launched an initial multi-year dividend policy providing stable dividends during a three-year period from 2018 to 2021. The policy was renewed for 3 years at the beginning of 2022, providing new guidance for the years 2022 up till 2024.

In € per fiscal year, per share	FY2022	FY2023	FY2024
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**

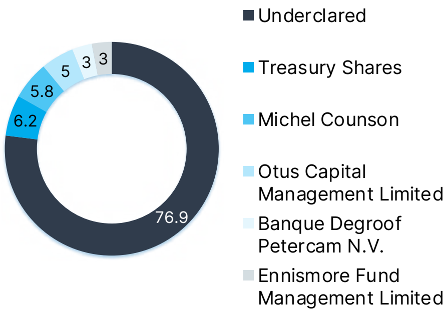
Generally, the dividend is paid in two parts: an interim dividend at the end of November and the final dividend in May, after the approval of the General Meeting.

For the year 2023 a total dividend of EUR 1.10 will be proposed at the Ordinary General Meeting of May 21, 2024. This proposed dividend for the year 2023 is in line with the guidance issued in 2022.

From the total EUR 1.10 dividend proposal, EUR 0.50 was already distributed as an interim dividend in November of 2023. If approved by the Ordinary General Meeting, the remaining gross dividend of EUR 0.60 will be paid on May 31, 2024, against coupon #36 (ex-date: May 29, 2024; record date: May 30, 2024).

Shareholding

Share composition (in %)



Shareholders have an obligation to report the percentage of EVS shares they hold when this percentage crosses the threshold of 3% in either direction (a condition imposed by the articles of association) and for any multiple of 5% (a requirement of the Companies Code).

The percentage of shares held must be calculated based on the number of shares outstanding (14,327,024 shares at end 2023).

As at December 31, 2023, the shareholding of EVS Broadcast Equipment was as shown in the chart below (based on recent statements received by the company and the treasury shares position as at December 31, 2023).

For more shareholding details please refer to the Statement of Corporate Governance in the second part of the annual report.

General Meetings

EVS holds its Ordinary General Meeting on the third Tuesday of May. Shareholders are invited to participate in this meeting. All instructions are published one month before the meeting.

To promote interaction between the company and its shareholders — and to know and serve them better — further to Article 24 of its articles of association, EVS requires proxies for participation in its General Meetings to be signed by the actual ultimate beneficial owner.

Proxies issued by a custodian or sub-custodian must therefore be accompanied by another power of attorney duly signed by the actual ultimate beneficial owner granting authorization to exercise their rights. In the interest of good governance, this provision is strictly applied and at each meeting results in a few non-compliant discharges of proxies, including those from stakeholders. x

Financial Service

Dividends are payable at ING BANK SA, which is the sole paying agent in the Euroclear Belgium "E.S.E.S." dematerialized system.

ING BANK SA
Avenue Marnix, 24
1000 Brussels
Belgium

Information Accessibility

The group website (www.evs.com) provides general information on the company and its products, as well as financial information, corporate governance rules and annual reports.

A special investor relations section provides dynamic views on our financial results and our sustainability data. It also contains stock related and dividend information.

All legal documents are available at the company's head office or on its website.

EVS has adopted a "quiet period" policy, which limits communication with investors during sensitive periods to basic, historic and non-time-specific information. This quiet period begins one month before the publication of the earnings and continues until the earnings release date.

EVS appreciates the interest of its shareholders in the company, and believes that this policy enables the company to balance the needs of the business and the importance of communicating with both new and potential investors.

SHAREHOLDERS' CALENDAR

May 16th, 2024: Q1 2024 results

May 21st, 2024: General Assembly

August 13th, 2024: H1 2024 results

November 14th, 2024: Q3 2024 results

The EVS share over the last 10 years

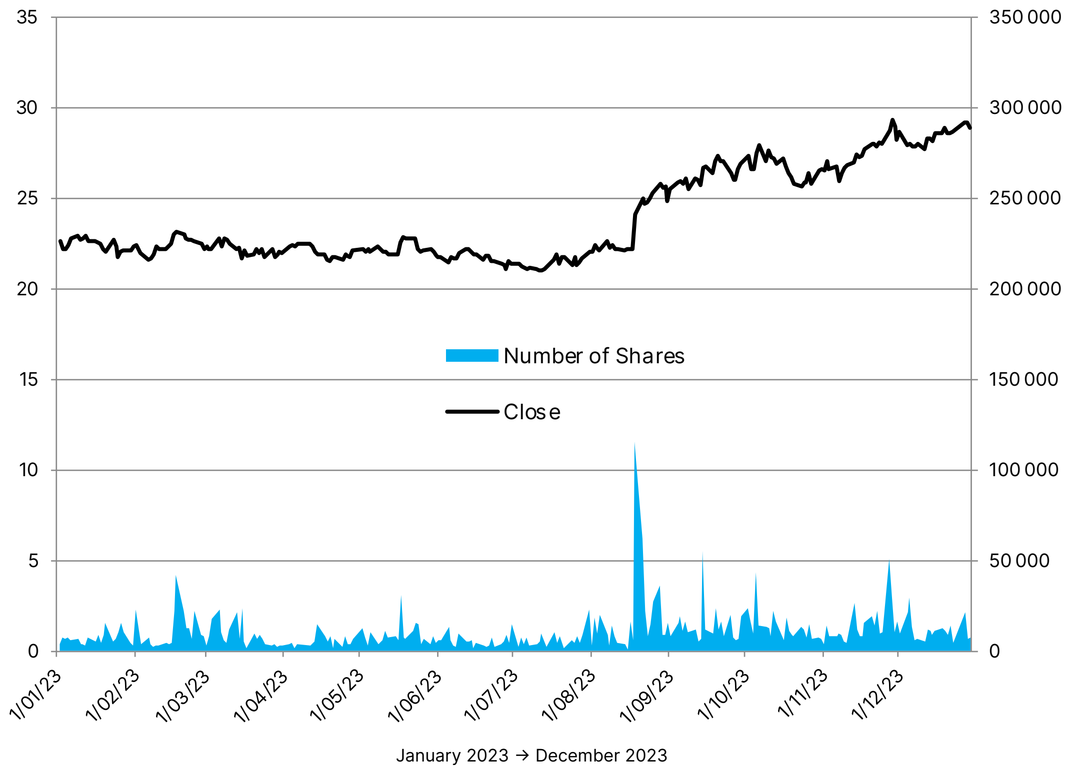
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Number of shares issued (average)	14 327 024	14 327 024	14 327 024	14 327 024	14 327 024	13 636 540	13 625 000	13 625 000	13 625 000	13 625 000	13 625 000
Number of shares issued (31/12)	14 327 024	14 327 024	14 327 024	14 327 024	14 327 024	14 327 024	13 625 000	13 625 000	13 625 000	13 625 000	13 625 000
Average number of shares, excl. own shares	13 427 915	13 411 972	13 400 624	13 668 612	14 016 921	13 531 196	13 514 301	13 501 815	13 490 812	13 513 053	13 480 715
Average free float	97.90%	85.30%	91.70%	86.40%	87.20%	93.90%	93.90%	93.50%	93.50%	93.50%	93.50%
Annual volume[(1)]	2 722 720	2 691 298	3 727 707	6 877 590	8 364 031	11 730 794	8 017 152	10 191 122	11 809 385	17 242 611	14 884 293
Average daily volume (number of shares)[(1)]	10 677	10 472	15 412	26 761	32 800	45 645	31 195	39 654	46 130	66 574	58 600
Average daily volume (EUR)[(1)]	254 700	219 848	285 060	417 689	706 515	1 053 033	1 040 358	1 228 090	1 326 711	2 459 901	2 888 959
Standard velocity[(2)]	19.00%	18.80%	26.00%	48.00%	58.40%	86.00%	58.80%	74.80%	86.70%	126.60%	109.20%
Adjusted velocity – Average free float[(3)]	22.30%	22.00%	28.40%	55.50%	66.90%	91.60%	62.70%	80.00%	92.70%	135.30%	116.80%
Average annual share price (EUR)	23.85	20.99	18.5	15.61	21.54	23.07	33.35	30.97	28.76	36.95	49.3
Closing share price (EUR)	28.85	22.25	20.7	16.7	21.75	23.2	29.71	33.2	29	29.89	46.99
Highest share price (EUR)	29.5	24.25	22.8	22.15	23.7	33.15	38.75	36.5	36.4	47.97	57.19
Lowest share price (EUR)	21.00	18.00	15.00	10.34	19.58	15.44	26.75	24.89	21.06	23.52	39.88
Market capitalization (average. EUR millions)	341.8	300.8	265	223.6	308.6	314.6	454.4	422	391.9	503.4	671.7
Market capitalization (Dec. 31. EUR millions)	413.3	318.8	296.6	239.3	311.6	332.4	404.8	452.4	395.1	407.3	640.2
Gross dividend (EUR)	1.1	1.6	1.5	0.5	0.5	1	1	1.3	1	2	2.16
Net dividend (EUR)	0.77	1.12	1.05	0.35	0.35	0.7	0.7	0.93	0.74	1.5	1.62
Dividend yield (gross dividend on average share price)	4.60%	7.60%	8.10%	3.20%	2.30%	4.30%	3.00%	4.20%	3.50%	5.40%	4.40%
Share buyback/share	0	0	0	0,58	0,37	0,11	0	0	0	0,36	0
Basic EPS (EUR)	2.75	2.34	2.6	0.53	1.4	2.6	1.77	2.43	1.76	2.63	2.52
Payout ratio (gross dividend on basic EPS)	40.00%	68.40%	57.70%	94.30%	35.70%	38.50%	56.50%	53.50%	56.80%	76.00%	85.70%
Price/earnings ratio[(4)]	8.7	9	7.1	29.4	15.4	8.9	18.8	12.7	16.3	14	19.6

(1) EBIT means "Earnings Before Interests and Taxes" and corresponds to the operating result before interests and taxes.
(2) The EBIT margin is the EBIT divided by the revenue.
(3) The net working capital = stocks + trade receivables - trade payables.
(4) Calculated based on the number of shares excluding treasury shares and warrants.

Consolidated Key Figures – IFRS (EUR MIO)	2023	2022	2021
Revenue	173.2	148.2	137.6
Operating profit - EBIT(1)	41.1	31.7	37.1
Net profit (group share)	36.9	31.3	34.9
Investments	7.5	10	1.6
Cash generated from operations	37.5	13.4	39.8
Total equity before profit allocation (31/12)	191.3	175.8	162.3
Net cash position (31/12)(2)	36.6	33.8	54.9
Net working capital (31/12)(3)	89.6	78.4	54.4
Number of team members in FTE (31/12)	622	613	551
Turnover / Employee Ratio	278 457	241 762	249 688

Data per Share (EUR)	2023	2022	2021
Average number of shares excl. treasury shares	13 427 915	13 411 972	13 400 624
Basic net profit (group share)(4)	2.75	2.34	2.6
Gross dividend (interim + final exeptional)	1.1	1.6	1.5
Equity per share	14.24	13.1	12.11

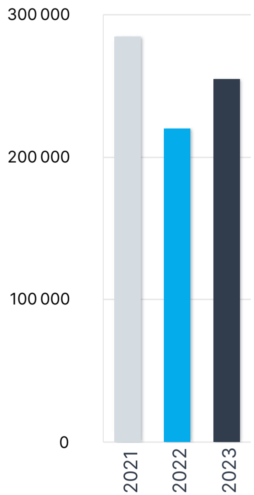
Ratios (%)	2023	2022	2021
Gross margin (%)	69.60%	66.70%	69.60%
EBIT margin (%)(1)	23.80%	21.40%	27.00%
Net margin(5)	21.30%	21.10%	25.40%
Payout ratio (gross dividend/net profit)	40.00%	68.40%	57.70%
Dividend yield (gross dividend/average share price)	4.60%	7.60%	8.10%
Return on equity – ROE(6)	21.00%	19.30%	24.80%
Return on capital employed – ROCE(7)	36.90%	31.30%	38.00%



(1) EBIT means "Earnings Before Interests and Taxes" and corresponds to the operating result before interests and taxes.
(2) The EBIT margin is the EBIT divided by the revenue.
(3) The net working capital = stocks + trade receivables - trade payables.
(4) Calculated based on the number of shares excluding treasury shares and warrants.
(5) The net profit margin is the net profit (group share) divided by the revenue.
(6) This return is the result of the net profit (group share) divided by the shareholders' equity at the beginning of the year less the final dividend decided during the Ordinary. General Meeting of May.
(7) Net profit (group share), (goodwill + intangible and tangible assets + stocks).

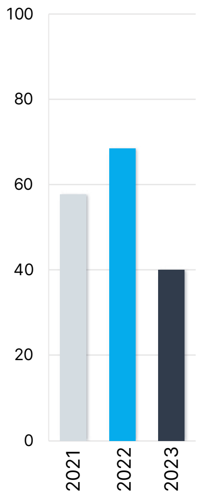
€ 254,700

Liquidity – average daily volume on the stock market (EUR)



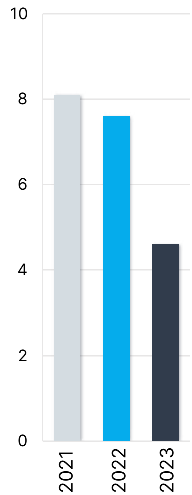
40%

Payout ratio (% of basic EPS)



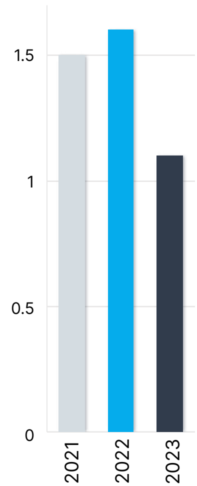
4.6%

Dividend Yield (%)



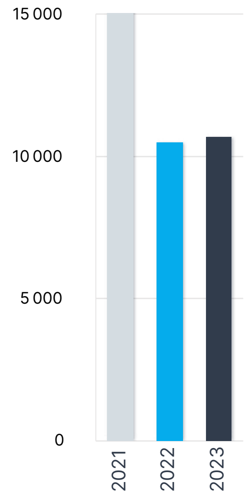
€ 1.1

Gross Dividend per Share after split (EUR)



10,677

Liquidity – average volume on the stock market (number of shares)



6 Development centers

Liège, BE
Brussels, BE
Toulouse, FR
Wokingham, UK
Paris, FR
Gilze, NL

Sales and customers service centers

NALA

Fairfield, US East Coast
Burbank, LA, West Coast US
Mexico, MX

EMEA

Liège, BE
Munich, DE
Dubai, UAE
Paris, FR
Madrid, ES
Brescia, IT
Gilze, NL
Wokingham, UK

APAC

Sydney, AU
Beijing, CH
Hong Kong
Singapore

The Annual Report (management report, accounts and notes) is available on the EVS website (www.evs.com).

A paper copy can be obtained on request.

Version française disponible sur demande.

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ANNUAL FINANCIAL REPORT 2023

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The official version of the annual financial report under the Transparency Directive - Directive 2004/109/EC - is the ESEF version available at evs.com/investors/annual-reports

MANAGEMENT REPORT

FINANCIAL REPORT

1. CONSOLIDATED KEY FIGURES – IFRS (EUR MILLIONS)

	2023	2022	2021	2023/2022
Revenue	173.2	148.2	137.6	*+16.9%*
Gross margin %	69.6%	66.7%	69.6%	*+2.9 Pts*
Operating profit - EBIT	41.1	31.7	37.1	*+29.7%*
Operating margin (EBIT) %	**23.8%**	**21.4%**	**27.0%**	*+2.4 Pts*
Income taxes	-3.6	-1.4	-2.8	*+157.1%*
Net profit, group share	36.9	31.3	34.9	*+17.9%*
Net profit (%)	21.3%	21.1%	25.4%	*+0.2 Pts*

2. HIGHLIGHTS

2023 has proven to be another successful year for EVS. The outstanding financial performance for the fiscal year 2023 is marked by significant milestones and strategic advancements. The company has achieved unprecedented success, setting a new revenue record, ensuring strong profitability, and securing a robust order book for the third consecutive year.

EVS realized a remarkable new revenue record, underscoring its unwavering commitment to sustainable growth. Despite the anticipated absence of Big Event Rental revenues in an uneven year, the company's substantial revenue growth and effective cost control strategies resulted in robust profitability, a testament to the success of the PlayForward strategy.

From a market pillar perspective, both Live Service Provider (LSP) and Live Audience business segment (LAB) demonstrate growth. The LAB market more specifically experienced substantial order intake growth, showcasing the company's expanding market share in broadcast studio environments.

From a solutions point of view, the Media Infrastructure solution segment played a pivotal role in driving order intake growth across all regions. As anticipated, Media Infrastructure now systematically contributes to the Big Event Rental revenues.

EVS secured rental and support service contracts for major sporting events in 2024, establishing a solid foundation for Big Event Rental revenues in the upcoming year. This underscores the company's position as a key player in the industry and demonstrates its ability to secure long-term high-profile partnerships.

Customer satisfaction reached new heights, evident in the significant progress of the Net Promoter Score (NPS) over the last three years, as measured by Devoncroft. Internally, EVS team members maintain a high level of engagement, as reflected in the 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 the company among an elite group of close to 90 companies.

On the Environmental, Social, and Governance (ESG) front, EVS has set ambitious 2030 goals. The company 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. In addition, EVS has been added to the BEL ESG index, as announced by Euronext on March 6th, 2024. This index recognizes the top 20 companies listed on the Brussels stock exchange with the best ESG agenda. This recognition is also a true testament of our ambition on the sustainability front.

Continuing its tradition of innovation, EVS introduced the generative AI-enabled XtraMotion solution, a notable example of pushing the boundaries of technological advancements. This technology is particularly gaining attention in the LiveCeption solution, where it transforms regular broadcast cameras into super slow-motion cameras. The introduction of artificial intelligence-based search capabilities in the MediaCeption solution, along with the launch of the VIA MAP content management platform during the international broadcast conference in Amsterdam, showcases EVS's commitment to innovation.

EVS also maintained its tradition of delivering robust dividends.

In conclusion, the PlayForward strategy is evidently appreciated by customers and channel partners, confirming EVS's profitable and sustainable growth mode. Despite challenging economic market conditions, including high interest rates and certain component shortages, coupled with global conflicts, EVS remains confident that customers, channel partners, and operators increasingly appreciate the reliability, performance, and innovative edge of its solutions and services.

Our ambition for the next years is to continue to deliver growth in both our top line and bottom-line. We feel that we are well on track to deliver upon this promise. Based on our company indicators, EVS issues guidance on revenue for 2024 in the range of EUR 180 million and EUR 195 million.

3. STRATEGY AND LONG-TERM GROWTH DRIVERS

EVS focuses on delivering standard "live media production solutions" with custom workflows based on modernized solutions leveraging latest technologies (IP, AI, Virtualization, Micro-services, Open APIs, Cloud).

EVS growth strategy is based on different factors:

- Broader solutions to extend the scope of the workflows and the related business.
- More solutions in each category, applicable for different tiers of customers and/or productions.
- More categories of solutions.

Today, EVS proposes 3 main categories of solutions: LiveCeption, MediaCeption and Media Infrastructure.

Thanks to the convergence requested by the broadcasters in terms of infrastructure to produce sports, news, and entertainment, EVS has the opportunity to provide more solution components and thus extend the scope of the current solutions.

EVS also plans to increase the categories of solutions that will be offered to the same customers.

The different solutions are progressively structured in an ecosystem by which a customer benefits from higher value when all the EVS components are combined. VIA MAP has been presented to the market in 2023 as the first ecosystem between LiveCeption and MediaCeption. The goal is to offer a platform allowing smooth transition and integration and to ensure an optimal cost of ownership for our customers. The ecosystem is also aimed to facilitate the interactions between different stakeholders in the value chain (e.g. Right Owners and Right Holders)

These enhancements of the solution portfolio will not only be based on organic developments. EVS will integrate 3rd-party solution components based on strategic partnerships and/or acquisitions. New categories of solutions will be subject to acquisitions.

Thanks to this new ecosystem, EVS plans to increase both the addressable market and its market share. The opportunity to increase the market share mainly lies in Media Infrastructure and MediaCeption solutions and primarily in North America region. 2023 has demonstrated that EVS has strong market traction, complemented by a strong Net Promotor Score.

EVS will also leverage SW to propose new flexible business models, ensuring a smooth transition from CAPEX to OPEX, preserving mid-term revenues with absence of price sacrifice to tease to OPEX.

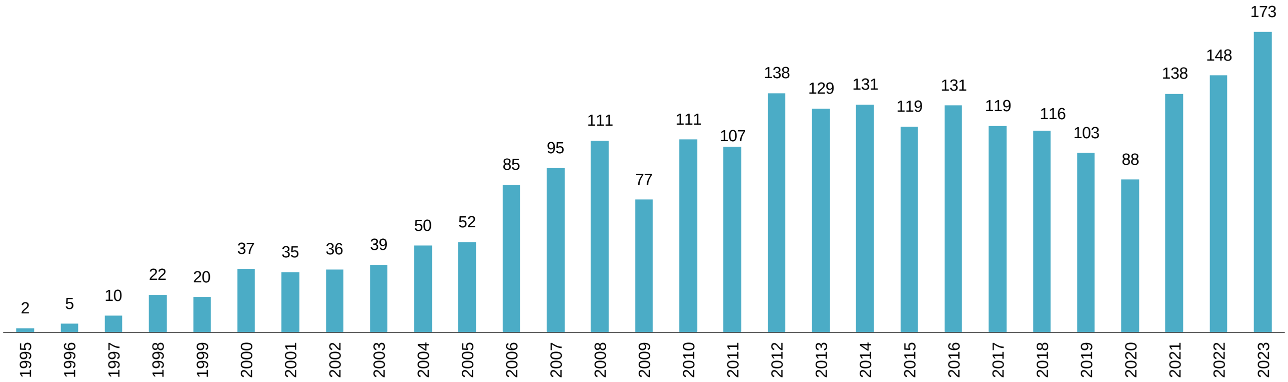
4. REVENUE

EVS revenue amounted to EUR 173.2 million in FY23, an increase of 16.9% compared to 2022 (+23.2% at constant currency and excluding the big event rentals).

All our market pillars performed well in 2023 with each market pillar reaching or exceeding our expectations. Revenue of solutions in LSP (Live Service Providers) represented 48.0% of the total group revenue: the LSP revenue counted for a total of EUR 83,3 million in 2023 supported by large upgrades and investments in new infrastructure by our customers. The LAB (Live Audience Business) revenue represented 52.0% of total revenue with an overall revenue number of EUR 90.0 million. The LAB market pillar did grow significantly compared to 2022 (+26.0% YoY), demonstrating the positive outcome of the PLAYForward strategy. We still expect EVS to realize further growth in this market in the future. Big Event Rentals represented 0.0% of total revenue in 2023 due to the absence of such events this year.

From a regional perspective, each region contributed to strong results. In 2023, in Europe, Middle East and Africa ("EMEA"), sales (excl. big event rentals) amounted to EUR 86.7 million (+28.0% compared to 2022). Sales (excl. big event rentals) in Americas ("NALA") were EUR 56.3 million (+9.2% compared to 2022, or +3.6% at constant currency). In Asia & Pacific ("APAC"), sales (excl. big event rentals) were EUR 30.2 million (+59.7% at constant currency).

Historical evolution of revenue (EUR millions):



Revenue by geographical area

(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**

5. RESEARCH AND DEVELOPMENT

Research and development expenses amounted to EUR 31.8 million in 2023 versus EUR 26.3 million in 2022.

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 of 2023, 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.

Other research and development costs remain in our operational spend, as IAS38 does not specifically apply for these developments.

The detail of the total R&D spend is as follows:

(EUR thousands)	2023	2022
Gross R&D expenses	38,695	35,854
R&D capitalized as intangible assets	-4,177	-7,080
Depreciation of intangible assets	563	-
Benefits relating to R&D expenses	-3,245	-2,507
R&D expenses, net	**31,836**	**26,267**

6. STAFFING

Breakdown of personnel by department (in full-time equivalents):

	Corporate Services	Research & Development	Sales & Marketing	Production & Operations	Total
Dec. 31, 2021	69	268	81	133	551
Dec. 31, 2022	76	291	87	159	613
Dec. 31, 2023	72	287	93	179	622

As of December 31, 2023, EVS had a total of 622 employees (full-time equivalents) including 20 permanent contractors (out of which 7 leadership team members), an increase of 1.5% compared to the end of 2022. The total salary cost stands at EUR 60.5 million in 2023 (EUR 53.5 million in 2022). Throughout 2023, the average number of employees (excluding permanent contractors) was 592, up 3.3% over 2022.

7. RESULTS

7.1. 2023 key figures

IFRS - EUR million, except earnings per share, expressed in EUR	*1H23*	*2H23*	**2023**
Revenue	*87.4*	*85.8*	**173.2**
Gross margin	*61.2*	*59.4*	**120.6**
Gross margin %	*70.1%*	*69.3%*	**69.6%**
Operating profit – EBIT	*25.0*	*16.2*	**41.1**
Operating margin – EBIT %	*28.6%*	*18.9%*	**23.8%**
Net profit – Group share	*21.2*	*15.8*	**36.9**
Fully diluted earnings per share	*1.52*	*1.13*	**2.65**

7.2. Comments on the results

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. This has resulted primarily in improved margins for all our solutions. The increase in revenue compared to the relative fixed services cost also explains the gross margin increase.

Operating expenses increased by 18.6% YoY explained by an increase in team member base, inflation on labor 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 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).

7.3. Data per share (EUR)

	2023	**2022**	**2021**	**2023/2022**
Weighted average number of issued shares for the period, less treasury shares	13,427,915	13,411,972	13,400,624	0.1%
Weighted average fully diluted number of shares	13,950,751	13,681,084	13,587,624	2.0%
Basic earnings, group share	**2.75**	**2.34**	**2.60**	**17.5%**
Fully diluted earnings, group share	**2.65**	**2.29**	**2.57**	**15.7%**

8. BALANCE SHEET, CASH-FLOW, OWN SHARES AND EMPLOYEE PROFIT SHARING

The 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 grew to 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.

Inventories amount to EUR 33.0 million, an increase of EUR 4.2 million compared to the beginning of the year with the aim of supporting the growth of our activities. The ratio of inventory vs. sales remains stable compared to prior years at 19%.

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).

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. Additional information is available in note 18.

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.

9. PROVISIONS FOR RISKS AND CHARGES

As per December 31, 2023, EUR 1.7 million provisions were available to reasonably cover technical warranties. Additional details are also presented in note 20.

10. RISK MANAGEMENT

EVS is exposed to various exogenous and endogenous risks detailed in the annexes of the annual financial report and in paragraph 15 of the Corporate Governance statement. The management, the Audit Committee and the Board of Directors conduct regular analyses of the company's risk and take actions to minimize or neutralize the potentially negative effects.

More information on the use of the financial instruments by the company, the objectives and policies relating to financial risks management and the risks the company is exposed to, can be found in the Corporate Governance Statement (point 5.1) and in the “Risks and uncertainties” chapter. The foreign currency risk is treated separately in note 27.2.

Circumstances which may considerably impact the development of the Group are reported in the section “Risks and uncertainties”.

11. INVESTMENTS

EVS business does not require major investments in equipment, though the situation of the components market has forced EVS to invest more working capital into the inventory over the past years. The components market has stabilized over the past couple of months, in the sense that there is some normalization of the price proof point and the delivery terms have become more trustworthy. The average delivery term of components is on average still higher than our standard delivery terms for our customers. Consequently, inventory levels continue and require a pro-active management approach based on future growth assumptions, to ensure EVS can continue and respects its delivery terms towards the customers.

In 2023 EVS continued the investment of 2 internal development projects. The first project has been launched into the market in September 2023. The launch of the second project is planned in 2024. Both investments are capitalized on the balance sheet as intangible assets. For the project launched into the market in September 2023 depreciation of the intangible assets has started in October 2023.

The group’s policy is to own its premises in Belgium, primarily because of the size of the building and the technical requirements of our operations. This investment is primarily financed through shareholders’ equity and long-term bank loans. As per December 31, 2023, the net book value of lands and buildings amounts to EUR 47.6 million (including EUR 8.1 million of right-of-use assets).

12. CAPITAL AND SUBSIDIARIES

The EVS Broadcast Equipment SA capital of EUR 8,772,323 is represented by fourteen million three hundred twenty-seven thousand and twenty-four shares (14,327,024) without any designation of nominal value.

We refer to note 5 for the list of subsidiaries, associates, and representative offices.

13. NON-FINANCIAL PERFORMANCE – SUSTAINABILITY REPORT

Corporate sustainability is central to EVS’s strategy. We have a long-term commitment to the environment, our team members, and the communities in which we operate. We constantly practice and demonstrate this commitment through various initiatives that create an impact for the wider world. A detailed sustainability report has been prepared in accordance with the EU Directive on disclosure of non-financial and diversity information, the GRI (Global Reporting Initiative) Standards: core option, and can be consulted at https://evs.com/company/sustainability.

14. OUTLOOK 2024

Financial Guidance

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 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. We plan a controlled increase in the number of team members to support further growth.

15. SUBSEQUENT EVENTS

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

16. PROPOSALS BY THE BOARD TO THE SHAREHOLDERS

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.

The latest dividend guidance issued in 2022 foresees total annual dividend distribution of EUR 1.10 per share in 2023 and 2024:

In € per fiscal per share	FY2021	FY2022	FY2023	FY2024
Base dividend	1.00	1.10	1.10	1.10
Exceptional additional dividend	0.50	0.50	0.00	0.00
Total dividend	**1.50**	**1.60**	**1.10**	**1.10**

All dividend intentions and guidance are subject to market conditions and the approval of the Ordinary General Meeting of shareholders.

The Board of Directors also proposes to grant shares to the employees within the framework of the law relating to profit-sharing schemes. These shares are based on a profit-sharing scheme of 2% of the annual EBIT. Based on an average share price assumption of EUR 33.20, this would represent a total of 36 shares to be awarded per team member (only Belgian team members are concerned). The exact number of shares is to be calculated at a later stage, based on the average closing share price of the last 30 days prior to the publication of the invitation to the Ordinary General Meeting for shareholders and awarded to the overall Belgian population.

CORPORATE GOVERNANCE STATEMENT

This section of the annual report summarizes the rules and principles of good corporate governance established by EVS, in accordance with Belgian Company and Association Code (and the law of April 6, 2010), articles of incorporation and the EVS Corporate Governance Charter. It also focuses on activities related to the year 2023.

1. CORPORATE GOVERNANCE CHARTER

Already in 2006, the Board of Directors of EVS Broadcast Equipment approved a Corporate Governance Charter ("Charter"), Until 31 December 2019, this Charter was based on the 2009 Belgian Code on Corporate Governance. The Board of Directors has reviewed and updated this Charter at the end of 2019, considering the 2020 Belgian Corporate Governance Code. The Board of Directors has also updated the charter in March 2023 to consider the decisions made since then and will continue to do so whenever needed. This document and its update is fully available on the group's website (www.evs.com).

The Charter adopted by the Board of Directors meets most points from the 2020 Belgian Corporate Governance Code. However, the Board of Directors considered that some limited exceptions to the 2020 Belgian Corporate Governance Code were justified given the specificities of EVS. The last section of this chapter highlights the differences with the 2020 Belgian Corporate Governance Code and explains the reasons for the exemptions.

2. BOARD OF DIRECTORS

The members of the Board of Directors are appointed for a term between 1 and 4 years. On December 31, 2023, the Board of Directors was made up of 9 members. Decisions are taken by a majority vote. In the event of a tie, the Chairman or his representative has a casting vote. In the case of a conflict of interest, the people involved do not take part in the debates and in the vote.

When one or several positions of Director become vacant because of death, resignation or for any other reason, the remaining Directors are entitled to fill the vacancy temporarily. In such a case, the General Meeting shall make the definitive appointment at its next session.

The members are provided with various documents at each Board meeting or enclosed with the notification of the meeting. These documents include reports, financial results, investment documents and other papers relating to the items on the agenda.

In 2023, the Board of Directors met 8 times and notably discussed the following matters: strategic review, changes in management, R&D and product developments, risk management framework, monitoring subsidiaries, liquidity management, business and treasury position of the company, 2023 business updates, the 2024 budget and 5 year business plan, examining acquisition and partnership projects, reviewing remuneration of the Board of Directors and the members of the Executive Management, preparing press releases and preparation of General Meetings, management of Directors' mandates and evaluation of the functioning of the Board of Directors.

3. SPECIALIZED COMMITTEES ATTACHED TO THE BOARD

The Board of Directors of EVS has set up an Audit Committee and a Nomination and Remuneration Committee to conduct reviews on specific matters and advise on them. The final decision remains a collective responsibility of the Board of Directors.

3.1. Audit Committee

The Audit Committee is composed of three non-executive Directors. This committee assumes the missions described in the Article 7:99 of the Belgian Company and Association Code. More generally, it assists the Board of Directors in its responsibilities concerning the integrity of the financial information relating to the company and supervising the financial reports, the internal audit function, the external audit function and the relations between the company and its shareholders.

The Audit Committee met 4 times in 2023 in the presence, for most of the topics, of the CEO, CFO, the head of accounting, head of risk management and the company's Auditor.

In accordance with the Article 3:6 of the Belgian Company and Association Code, the following members of the Audit Committee have the required competencies in accounting and audit: Marco Miserez (having more than 12 years of experience in financial services industry), Martin De Prycker (holding a Ph.D in Computer Sciences, as well as a MBA from the University of Antwerp) and Soumya Chandramouli (CFO in another Belgian listed company), who joined the Audit Committee after having been appointed Director by the Ordinary General Meeting of 16 May 2023.

The president of the Board of Directors, The House of Value – Advisory & Solutions BV, represented by Johan Deschuyfeleer, is no longer member but remains permanent guest at the Audit Committee since the Ordinary General Meeting of 16 May 2023.

3.2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of four non-executive independent directors. This committee assumes the mission described in the article 7:100 of the Belgian Company and Association Code. More generally, it assists the Board of Directors in its responsibilities concerning the remuneration policy setting, reviewing, and setting the remuneration for the company's executives and managers as well as the long terms incentives and variables and bonus policy. It also follows up and makes recommendations to the Board of Directors regarding the appointment of board members and executives. The members of the Nomination and Remuneration Committee met 5 times in 2023.

On December 31, 2023, the Board of Directors was made up as follows:

		Director since	**Audit Committee**	**Nomination and Remuneration Committee**	**Term of mandate**		**Activities in 2023***
						Attendance Board meetings (8)	**Attendance Committees (4 – Audit Co) (5 – NRCo)**
The House of Value – Advisory & Solutions BV, represented by Johan DESCHUYFELEER	President and Independent Director	2020	Permanent guest	Member	May 2024	8/8	9/9
Accompany You srl, represented by Anne CAMBIER	Independent Director	2019		Chairman	May 2023	8/8	5/5
Innoconsult BV, represented by Martin DE PRYCKER	Independent Director	2016	Chairman		May 2024	8/8	4/4
Michel COUNSON	Managing Director	1994			May 2024	8/8	0
7 Capital srl, represented by Chantal DE VRIEZE**	Independent Director	2017		Member	May 2025	6/8	4/5
Frédéric VINCENT	Independent Director	2022		Member	May 2026	7/8	5/5
Marco MISEREZ	Independent Director	2022	Member		May 2026	8/8	4/4
Frinso Srl, represented by Soumya Chandramouli*	Independent Director	2023	Member		May 2027	5/8	0/2
InnoVision BV, represented by Serge Van Herck**	Managing Director & CEO	2023			May 2027	5/8	0

* Frinso Srl, represented by Soumya Chandramouli has joined the Board of Directors as Independent Director in May 2023, which is the reason why she only attended to 5 board meetings, and has joined the Audit Committee since then but could not attend the 2 meetings that were already planned because of agenda conflicts.
** InnoVision BV, represented by Serge Van Herck, CEO, has joined the Board of Directors as Managing Director in May 2023, which is the reason why he only attended 5 board meetings.

Michel COUNSON (°1960)

CTO Hardware and Managing Director of the company, Michel COUNSON graduated from the "Institut Electronique" in Liège in 1982. He started his career as a Hardware Engineer with TECHNIQUE DIGITAL VIDEO S.A. in 1983 before founding his own company, VIDEO SYSTEM ENGINEERING S.P.R.L., in 1986 which used to work in partnership with EVS on numerous projects. The two companies merged in 2000.

Martin DE PRYCKER (°1955)

Martin De Prycker (representing InnoConsult BV) has been appointed as Board Observer of EVS in November 2015. He is Independent Director of EVS since May 2016. He is Managing Partner at Qbic Fund (an interuniversity fund supporting spin-off companies in Belgium) and Managing Director at Innoconsult (consultancy firm specialized in Innovation Management and ICT solutions). Between 2009 and 2013, he was Founder & CEO of Caliopa (a startup in silicon photonics allowing the transport of hundreds of Gbps on optical fiber). Between 2002 and 2009, he was CEO of Barco (display hardware and software manufacturer based in Belgium). Under his leadership, he focused and made the company grow in markets using displays and spinning off the non-core product lines. Prior to that, he was CTO and member of the Executive Committee of Alcatel-Lucent. Before becoming CTO of Alcatel-Lucent, he was responsible for establishing Alcatel-Lucent's worldwide market leadership in the broadband access market. He is a member of the Board of Directors of Proximus, Newtec (Belgian company designing, developing, and manufacturing equipment and technologies for satellite communications), Anteryon, Track4C and Venture Spirit. Mr De Prycker holds a Ph.D in Computer Sciences, a M.Sc. in Electronics from the University of Ghent, as well as a MBA from the University of Antwerp.

Chantal DE VRIEZE (°1961)

Chantal De Vrieze (permanently representing 7 Capital srl) is CEO of Econocom Benelux since October 2016. She started her career in 1984 at AGFA, then Banque Van Breda, where she gained a solid background in Sales and Marketing. Between 2003 and 2015, she successively served as Sales Director, Managing Director of Econocom Benelux and a member of the Board of Directors of Econocom Group (European provider of B2B digital solutions). In June 2015, she became Country Manager of Altran Belgium (international consulting group for innovation and advanced engineering). She is graduated in law from the University of Ghent. She is also a member of the Board of Directors of Axa Belgium, Guberna (Belgian Institute of Directors) and Agoria, and a member of the FEB Strategic Committee.

Anne CAMBIER (°1970)

Anne Cambier, (permanently representing Accompany you srl) is director of her own business consulting company. Throughout her career, she has gradually developed a passion for the human aspects of the business, with a specific focus on competencies and leadership models in the context of technological shift.

Anne started her career in 1992 at Accenture, working for several corporate clients in Europe, mainly in the industrial and utilities sectors. From 1999 until 2015, Anne worked for Orange Belgium, where she contributed to the rapid growing of the mobile telephony in Belgium. At Orange, before taking her responsibility as Chief People Officer, she developed a broad transversal business knowledge by leading several activities in commercial, customer operations, supply chain and procurement. She holds a Civil Engineering degree in Applied Mathematics from the Ecole Polytechnique of Louvain (UCLouvain) and an executive Master in Management from Solvay Brussels School (SBS).

Johan DESCHUYFFELEER (°1958)

Johan Deschuyffeleer (permanent representative of The House of Value BVBA - Advisory and Solution BV) has more than 35 years of international experience in the ICT and technology sector.

After several positions at the beginning of his career - as engineer and manager at Siemens and Hewlett-Packard - Johan was Managing Director Belux at Compaq. Afterwards, Johan returned to Hewlett Packard first as Managing Director Belux to subsequently shape the global sales strategy from Silicon Valley. He then headed the Technology Services EMEA and later the Technology Consulting WW. Johan is currently Chairman of the Board of Directors of Orange Belgium and Director at GIMV. Johan has an industrial engineering degree and has also followed a course in Middle Management at the Vlerick Management School.

Frédéric Vincent (°1968)

Frédéric Vincent has more than 30 years' experience in the media and IT sector. Frédéric first started working in IT at the Bouygues Group in 1992. Subsequently, he entered the media industry as a project manager at TF1 in 1995 and launched the French pay-TV operator TPS just one year later where he was not only responsible for technical matters but also for channel programming and marketing. After just over 10 years, he moved to Canal+ in 2007, first as Business Development Director, then as Chief Digital Officer and finally as CTIO, where he took over the overall responsibility for managing all technical and IT activities for Canal+ Group (over France and abroad). In May 2016, he joined Renault Group as CIO. He is now EVP, Renault Group IS/IT & Digital, Chairman of Renault Digital and member of the Renault Group's Board of Management. Frédéric has a computer science degree from Ecole Centrale de Paris.

Marco Miserez (°1987)

Marco Miserez has 12 years of experience in the financial sector and has been working as Senior Equity Investment Manager at Belfius Insurance for the last 2 years. After graduating as a Commercial Engineer in "Finance and Cross-Cultural Management" from the Ichec Brussels Management School in 2010, Marco Miserez has worked as Institutional Equity Sales at KBC Securities and as Equity Fund Manager at Candriam (a New York Life Investment Company). He holds a director mandate in Belfius Part SA and Technical Property Fund 2.

Soumya Chandramouli (°1977)

Soumya Chandramouli (representing Frinso srl) is currently the chief financial officer of Belgium-based IBA Group, the world leader in particle accelerator technology. She joined IBA in 2004 and took various responsibilities within the company, before taking on the role of chief financial officer in 2016. As CFO, Soumya has responsibilities in business partnering, strategy and business development, corporate governance, mergers and acquisitions, treasury and financing, investor relations, financial compliance and reporting and tax. Prior to IBA, she worked at Ernst & Young for several years. She holds a Master of Business Administration from the University of Liège and a degree in Financial Analysis from the Belgian Association of Financial Analysts as well as a specialization in Business Leadership from IMD Business School.

Serge Van Herck (°1969)

Serge Van Herck (representing InnoVision BV) joined EVS in September 2019 as CEO. Serge holds an electrical engineering degree from the University of Ghent and an MBA degree from the Vlerick Leuven Gent Management School in Belgium. Serge has more than 30 years of experience in the broadcast and satellite industry and over 15 years of experience as CEO, having worked for various market leading companies such as Newtec, Accenture and Belgacom (now Proximus). Before joining Newtec in 2003 he served for two years as Senior Manager in the Communications and High-Tech practice of Accenture in Brussels. In 2003, he became Newtec's Director Business Development for Asia and General Manager of Skyware, a former subsidiary of Newtec in Germany. He was appointed CEO and Chairman of the Board of Newtec on March 1st, 2006, and left the company in 2017. He transformed and successfully grew the company from a regional niche player selling broadcast modulators to a widely recognized industry leader setting standards and selling complex satellite network solutions across the globe. In 2008, he joined the WTA (World Teleport Association) and ESOA (European Satellite Operator Association) as a board member. He also served as a board member at VOKA (Flanders' Chamber of Commerce and Industry). He currently is serving as board member at Agoria (Belgium's largest employers' organization and trade association).

4. DAY-TO-DAY MANAGEMENT

The Board of Directors has delegated day-to-day management to a managing director, the CEO and an Executive Committee.

4.1. Executive Committee

On December 31, 2023, the Executive Committee was composed of:

- Innovision BV, represented by Serge VAN HERCK, CEO
- WeMagine Srl, represented by Veerle DE WIT, CFO
- Ikaro Srl, represented by Nicolas BOURDON, CMO
- RCG Srl, represented by Quentin GRUTMAN, CCO
- M2C Srl, represented by Pierre MATELART, CPO
- Openiris Ltd, represented by Alexander REDFERN, CTO
- Tols BV, represented by Xavier Orri, CXO

Michel Counson is also Managing Director but is not part of the Executive Committee, per his own request.

The Executive Committee coordinates the monitoring and development of the company and its affairs. Its members are in permanent contact, receive information on the group's financial situation, sales and projects, product and solution development status, project deployment status, customer issues and the Committee takes operational decisions such as appointing or dismissing staff and concluding contractual agreements. It is the decision-making body of the group.

4.2. Operational management of subsidiaries

The Executive Committee delegates the necessary powers to its subsidiaries to ensure their operational functioning. The commercial and support subsidiaries are easy to control as their activities are entirely dependent on EVS Broadcast Equipment SA, based in Liège (Belgium): delivery of promotional materials, presence at trade fairs, supply of machines or exchange parts, and accounts. The Board of Directors of these subsidiaries are mainly composed of the headquarters' Managing Director, the CEO, the CFO, and local managers. The subsidiaries are spread over geographical regions (America, Europe/Africa/Middle East, Asia/Pacific). This type of organization enables very efficient distribution of information at the group level as well as rapid decision making. The group's commercial policy is coordinated by the parent company, and each region has different levels of operational autonomy which allows creating an optimal contact with the market.

5. DIVERSITY

Conscious of the importance of ensuring diversity and inclusion of our staff to guarantee the well-being and the engagement of our Team Members, EVS continuously works on the diversity of age, gender, ethnicity, educational and professional background as well as geography of the executive committee, EVS top management team and the staff in general, including the diversity of professional skills. Diversity and ethnicity are important to our company, given EVS' global presence. We believe that diversity and inclusion is key to discovering talents, to have the right people at the right place in the organization to ultimately achieve excellence. That is why we bring to attention the representation of minority groups at all levels. Our team members are welcome regardless of their cultural background, gender, mother tongue, age, etc. We have zero tolerance for racism and discrimination.

This is even more important given that the industry in which EVS operates is one that is clearly known for its lack of gender diversity. In Europe, less than 20% of computer scientists are women, and moreover, in Belgium, for every 6 computer scientists who graduate, there is only one woman. In this context, EVS wants to be an actor of change that will make it possible to rebalance these figures, while knowing that gender parity is an unattainable objective in the short term.
In 2023, as regards gender equality in particular:

- Our Board of Directors was composed of 3 women out of 9 members in compliance with the gender quota at board level.
- Our Executive Committee (known as the Leadership Team) was composed of 1 woman out of 7 members but represents 3 different nationalities.

6. CONTROL OF THE COMPANY

6.1. Internal control and risk management systems

The management strives to provide a level of risk control that is as adequate as possible. The various risks are identified in this financial annual report. The most important characteristics of internal controls and risk management systems are:

- The assessment, with the auditor, of his observations and, if necessary, the request for additional information and clarifications, and the set-up of corrective actions.
- The assessment, with the auditor and the Audit Committee, of the processes that are at risk in the preparation and remediation of the financial statements.
- The ongoing monitoring of activities, operating results, and financial risks of the company (including the financial position of the company, the exchange rate risks), including the various subsidiaries of the group.
- Managing the information systems.
- Monitoring the rules for the prevention of market abuse, compliance with these rules and any violations.
- Monitoring the regulations and laws, including the monitoring of potential litigation, and possible financial implications thereof.
- Monitoring the price of components and the relationships with our suppliers.

The process for the preparation of the consolidated accounts is centralized at the group's financial function level. All information necessary for this process comes from widely used software in the market. Control procedures are in place to ensure that it is thoroughly mastered. Since the fourth quarter of 2022 a new global ERP has been implemented to manage the order to cash process end-to-end in an efficient way. As from the fourth quarter of 2023, all global entities are managed through this global ERP with standard processes and controls.

6.2. External audit

Since the Ordinary General Meeting of May 17, 2016, the audit of the statutory and consolidated accounts of EVS Broadcast Equipment SA is carried out by EY Réviseurs d'Entreprises SRL (B-00160). In 2022, the representation from EY was passed on from Marie-Laure MOREAU (A-01729), Belgian Réviseur d'Entreprise to Carlo-Sébastien D'ADDARIO (A-02506), Belgian Réviseur d'entreprise. The mandate of the Auditor is for three years, and the latest renewal period was confirmed in May 2022.

In 2023, all fees related to the Auditor of the parent company, EY Réviseurs d'Entreprises SRL (B-00160), represented by Carlo-Sébastien D'ADDARIO and its associates, amounted to EUR 277,202 in aggregate for their duties as Auditor. Other audit services amounted to EUR 3.500. No non-audit services were carried out by the Commissioner in 2023.

7. SHAREHOLDING

The situation as it appears from the last official ownership statements received by the company and the situation of treasury shares as of December 31st, 2023, is as follows:

Shareholder	Number of shares	% statutory basic (1)
Treasury shares EVS	893,820	6.2%
Michel Counson	835,906	5.8%
Otus Capital Management Limited	714,792	4.99%
Ennismore Fund Management	435,497	3.0%
Banque Degroof Petercam N.V.	428,241	2.99%
Undeclared	11,018,768	76.9%
Total	**14,327,024**	**100.0%**
Total excl. Treasury shares	**13,433,204**	
Outstanding warrants as of Dec. 31	680,875	
Total diluted	15,007,899	
Total diluted, excl. treasury shares	14,114,079	

(1) As % of the number of issued shares, including the treasury shares.

Since December 26, 2018, the capital of EVS is currently represented by 14,327,024 shares. There is only one category of shares, all having the same rights. More information on the EVS capital is available in note 18 of the consolidated accounts.

On December 31, 2023, EVS had 893,820 own shares. According to Euroclear and the EVS Shareholders Register, there were 1,322,067 registered shares of which 811,528 are owned by Michel Counson (who also owns 24,378 dematerialized shares), 9,837 by EVS, 96,778 by the EVS employees under the profit-sharing scheme and the remaining balance by 14 shareholders. In the EVS accounts at Euroclear, there were 13,004,957 dematerialized shares.

Shareholders must declare their ownership in EVS shares as soon as their shareholding passes over/under the 3% threshold (required by the company Statutes) and any multiple of 5% thresholds (required under Belgian law). The shareholding percentage must be computed on the basic number of outstanding shares (i.e. 14,327,024 shares at the end of 2023).

8. GENERAL MEETINGS

Each year, EVS holds its Ordinary General Meeting on the third Tuesday of May. In 2023, it was held on May 16th at EVS' premises and through a video conference system. Overall, 110 shareholders were present or represented, representing 3,997,872 shares, or 27.9 % of the share capital of EVS. All resolutions were approved at an average rate of 88.6% votes in favor.

For any proposal to amend the articles of associations, the company must invite its shareholders to attend an Extraordinary General Meeting. This assembly can validly cast only if 50% of shares are present or represented. If this is not the case, a second Extraordinary General Meeting shall be convened and will be able to vote, regardless of the percentage of shares present or represented. Decisions will be made to the majorities prescribed by law.

An Extraordinary General Meeting was held on May 16th, 2023, but did not reach the required quorum. A second Extraordinary General meeting has been convened on June 5th, 2023. Overall, 114 shareholders were present or represented, representing 3,860,913 shares, or 26,9% of the share capital of EVS. The proposition to (i) renew the authorization granted to the Board of Directors to increase the capital within the framework of article 7:198 et seq. of the Belgian Companies and Associations Code as well as (ii) to issue warrants were adopted.

To encourage the interactions between the company and its final shareholders, but also to better know them (and serve them), EVS requires, according to the article 24 of its articles of association, the proxies for a general meeting to be signed by the final effective beneficial owner. Hence, proxies signed by a custodian or sub-custodian must be accompanied by another proxy, duly signed by the final effective beneficial owner, allowing them to exercise their rights.

9. SHAREHOLDER ENGAGEMENT

EVS' management regularly engages with shareholders to discuss the evolution of EVS' business, performance, and strategy, particularly after the release of our trading updates and (bi-)annual results. In this context, the CEO and CFO have regular contacts with our largest shareholders and value their input. In addition, we continue to consider the feedback we receive from shareholder advisory groups. Finally, we often respond to the written requests of shareholders irrespective of their size.

EVS' management has intensified the engagement with our shareholders since 2022 and has continued this basis throughout 2023, as we consider shareholder dialogue as a top priority. In 2023 multiple international roadshows were organized. We have also engaged our shareholders in the development and validation of our ESG strategy.

In 2023 EVS also started to organize investor days again, to ensure an optimal, open, and transparent communication with the investors, and to allow the investors to grasp the specificities of our business through demo's, live use cases, ...

10. DIVIDENDS AND PROFIT ALLOCATION POLICY

The Board of Directors examines the results of the previous financial year and proposes at its Ordinary General Meeting that these profits be distributed in the best interest of the company and its shareholders. Bearing in mind the legal restrictions on profit distribution, the Board of Directors can propose a dividend policy that takes into consideration the company's investment and acquisition requirements. Since its IPO in 1998, the company has paid dividends. The company initiated in 2006 the payment in November of an interim dividend.

For 2023, the Board of Directors will propose to the shareholders, at the Ordinary General Meeting of May 21st, 2024, the approval of the distribution of a total gross dividend per share of EUR 1.10 for the fiscal year.

All the above is subject to market conditions and to the approval of the Ordinary General Meeting of Shareholders.

The Board of Directors also proposes to grant shares to the employees within the framework of the law relating to profit-sharing schemes. These shares are based on a profit-sharing scheme of 2% of the annual EBIT. Based on an average share price assumption of EUR 33.20, this would represent a total of 36 shares to be awarded per team member (only Belgian team members are concerned). The exact number of shares is to be calculated at a later stage, based on the average closing share price of the last 30 days prior to the publication of the invitation to the Ordinary General Meeting for shareholders and awarded to the overall Belgian population.

Dividends are payable at the following financial institution:
ING BANK SA ("Single ESES Paying Agent Euroclear")
Avenue Marnix 24, 1000 Brussels, Belgium

11. RELEVANT INFORMATION IN THE EVENT OF A TAKEOVER BID

Article 34 of the Royal Decree of November 14, 2007, on the obligations of issuers of securities which have been admitted to trading on a regulated market, requires that listed companies disclose certain items that may have an impact in the event of a takeover bid.

Capital structure
A comprehensive overview of the Company's capital structure as of December 31, 2023, can be found in section 7 "Shareholding" of this Corporate Governance Statement.

Restrictions on transfers of securities
EVS' Articles of Association do not contain any provision restricting the transfer of shares.

Holders of securities with special control rights
There are no such securities.

Employee share schemes
Each year, the Board of Directors proposes to the approval of the annual shareholders' meeting the distribution of a certain number of shares of the Company to each Belgian employee of the Company which has been hired before January 1 of the relevant year, in proportion to their effective services (or equivalent), under a profit-sharing plan relating to the distribution of the profits of such financial year.

Restriction on voting rights
Each EVS share entitles holders to exercise one vote at the shareholders' meetings.

The Articles of Association of the Company do not contain any restrictions on the exercise of voting rights by the shareholders, provided that the shareholders concerned comply with all formalities to be admitted to the shareholders' meeting and have complied with the relevant rules on disclosure of major shareholdings.

Shareholder agreements
The Company is not aware of any shareholder agreement which includes or could lead to a restriction on the transfer of its shares or exercise of voting rights related to its shares.

Appointment of members of the Board of Directors
The rules applicable to the appointment and replacement of members of the Board of Directors are set out in section 2 "Board of Directors" of this Corporate Governance Statement.

Amendment of the Articles of Association
Amendments to the Articles of Association must be submitted as a resolution to the Shareholders' Meeting. In order to be approved, the resolution requires at least 50% of the share capital to be present or represented and the affirmative vote of the holders of at least 75% of the votes cast. If the quorum is not reached, a second meeting may be convened at which no presence quorum shall apply. The aforesaid special majority voting requirement, however, remains applicable.

Authorized capital
Pursuant to a decision of the Extraordinary General Meeting of June 5, 2023, the Board of Directors is authorized to increase the capital on one or more occasions by a maximum amount of one million and six hundred thousand euro (1,600,000 EUR), excluding the share premium. These capital increases may be carried out by subscriptions in cash, contributions in kind, or incorporation of reserves or issue premiums, with or without the creation of shares. Within the limits of this authorization, the Board of Directors may issue bonds convertible into shares or subscription rights, in compliance with the provisions of articles 7:198 et seq. of the Companies and Associations Code. In the case of a share capital increase with share premium, such premium must be entered and maintained in one or more separate accounts under shareholders' equity on the liabilities side of the balance sheet. Similarly, in the event of an issue of subscription rights, their issue price must be entered and maintained in one or more separate accounts under shareholders' equity on the liabilities side of the balance sheet. On the occasion of any issue of shares, convertible bonds or subscription rights, the Board of Directors may limit or cancel the preferential subscription rights of the shareholders, including in favor of one or more specific persons other than staff members, in accordance with the terms and conditions to be determined by the Board of Directors and subject to compliance with the provisions of articles 7:198 et seq. of the Belgian Companies and Associations Code. This general authorization is valid for a period of five (5) years from the publication of the resolution of June 5, 2023, and is renewable. The Board of Directors shall be entitled to amend the Articles of Association to the extent required to reflect the use of the authorization granted by this article (article 7 of the articles of associations).

Acquisition of own shares
The Extraordinary General Meeting of shareholders of June 7, 2022, gave the following authorization to the Board of Directors (article 10 of the articles of associations):

1. The Company may acquire, pledge, or dispose of its own shares in accordance with the law.
2. For a period of five (5) years from the publication in the Annexes to the Belgian Official Gazette of the decision of the extraordinary general meeting of shareholders of June 7, 2022, the Board of Directors is authorized to acquire on the stock exchange or otherwise, shares in the Company up to a maximum of 20 % of the issued shares, fully paid up, at a unit price which may not be more than 20% lower than the lowest price during the last 12 months preceding the transaction and which may not be more than 20% higher than the highest closing price during the last 20 days of trading of the Company's shares on Euronext Brussels preceding the acquisition. This authorization shall be renewable.

3. Furthermore, in accordance with article 7:218, § 1, 4° of the Belgian Companies and Associations Code, the Board of Directors is explicitly authorized to dispose of the own shares acquired by the Company to one or more specific persons other than members of staff of the Company or its subsidiaries.
4. The powers and authorizations referred to in this Article is extended to the acquisition and disposal of shares of the Company by one or more subsidiaries directly controlled by the Company within the meaning of the Companies and Associations Code.

Significant agreements or securities that may be impacted by a change of control of the company
None

12. RESPECT OF THE BELGIAN CODE ON CORPORATE GOVERNANCE

EVS has adopted the Belgian Code on Corporate Governance 2020 as reference code for EVS Corporate Governance Charter. In accordance with the "comply or explain" principle laid down in the said Code, the board of directors reserves the right to assess and adjust the application of these standards of good governance regarding EVS' field of activity, its capabilities, and its related constraints, as explained below:

- **Independent Internal Audit (Article 4.14 of the Belgian Code on Corporate Governance 2020):** Given the size of the company, it has been decided and confirmed on regular basis that an independent internal audit as foreseen by the Belgian Code on Corporate Governance 2020 cannot be implemented. Rather than having an independent internal audit, focus is given to developing internal control mechanisms that help the company to monitor risks and inefficiencies. It is the Audit Committee that makes recommendations on the selection, appointment, reappointment, and removal of the head of internal audit and should monitor management's responsiveness to the audit committee's findings and recommendations. In 2022, the Audit Committee has completed a process of confirming the scope and future evolution of the internal control. In 2022 a new position was created and staffed, Head of Treasury, Risk Management and Financial Reporting. This position is also supervising the internal controls of EVS. The function is to assist the Audit Committee. EVS is undergoing a considerable transformation whereby the focus on designing and implementing sound and efficient processes is a first layer to support our growth ambitions. This business process modeling (BPM) exercise is progressing well, and the outcome of the exercise is the basis of our new ERP implemented in October 2022. In 2023 we continued expanding the scope of the BPM. In following periods (post 2023), we will identify critical control points of all the processes designed to monitor the effectiveness and efficiency of our way of working. These steps are the supporting elements to an internal control framework that will be implemented over time.
- **Part of the remuneration of the non-executive directors in form of shares (Article 7.6 of the Belgian Code on Corporate Governance 2020):** further to a study on the practice and benchmark in this matter conducted in 2021 and repeated in 2023, the Board of Directors has decided at this stage not to apply the possibility of allowing the non-executive director to receive a portion of his remuneration in the form of shares of the company to avoid conflict of interests and safeguard the independence of the non-executive directors. Such a position will be reviewed by the Board of Directors on a regular basis.
- **Minimum threshold of shares hold by Executives (Article 7.9 of the Belgian Code on Corporate Governance 2020):** with respect to executives, and further to a study on the practice and benchmark in this matter conducted in 2021, notably on companies of comparable size, the Board of Directors has decided at this stage not to apply the possibility of setting a minimum threshold for shares that executives must hold to avoid any speculation and also, given the fact, that although that is not mandatory, the majority of the members of the Executive Management is already shareholder of EVS. Such a position will be reviewed by the Board of Directors on a regular basis based on updated practice and benchmarks. Additionally, while there is no minimum threshold, it's worth noting that the Board of Directors strongly encourages executives to hold shares in the company.

EVS is complying with all other provisions of the Belgian Code on Corporate Governance 2020, including, for the sake of clarity:

(i) evaluation of internal control systems and risks (Article 4.11 of the Belgian Code on Corporate Governance 2020): analysis has been conducted in 2021 and 2022: the Audit Committee on company's internal control and risk management systems is monitored by the Head of Treasury and Risk Management as of 2023.

(ii) minimum vesting period of 3 years for EVS stock options (Article 7:11 of the Belgian Code on Corporate Governance 2020) applying for the 2020, 2021 and 2023 EVS warrant plans as well as to the 2022 stock option plan.

(iii) evaluation of the Audit Committee (Article 9 of the Belgian Code on Corporate Governance 2020) which has been performed for the last time in 2022 based on an external and independent assessment.

13. REMUNERATION REPORT

13.1. Introduction

We are very proud of having significantly increased our shareholders' support in 2023 relating to our remuneration report, which was approved at a majority of 86,9% at the Ordinary General Meeting of May 16, 2023 (+41% shareholders' support compared to the Ordinary General Meeting of May 18, 2021, and even +51% shareholder support compared to the Ordinary General Meeting of May 17, 2022). We are also very grateful for the increased shareholders' support in 2023 regarding the approval of (i) the proposed remuneration packages of our Executive Management (+17% compared to 2022) and (ii) the propositions to issue warrants (which was adopted at the specific majority of 75% of the votes cast).

We are very satisfied with such positive momentum, which shows that we have taken seriously the dissent expressed by our shareholders in 2021 and 2022, notably through:

(a) the review of the structure and the content of the present remuneration report, which has been updated (i) by increasing the level of our disclosure in terms of performance metrics with regard to the variable remuneration of the members of the Executive Management and by (ii) explaining the reasons why we are deviating from the Belgian Companies and Association Code in terms of variable remuneration of our executives, while we will gradually align their long term incentive with performance and multi-year objectives.

(b) the update of our remuneration policy considering above aspects to be in line with market standards and to further increase our transparency towards our shareholders.

(c) ongoing dialogue with our shareholders and have therefore conducted a shareholders' analysis to continue to actively engage with our top shareholders, notably on these aspects and other important issues (such as the fact that our CEO was not part of the Board of Directors (which is now the case since the Ordinary General Meeting of 16 May 2023) and the absence of company objectives linked to the LTI (which is also solved since the introduction of the updated LTI in the 2023 remuneration policy as referred to in section 13.3.1.2.1 (d)). We appreciate the valuable input that our shareholders provide and will take their views into account as we work to create long-term value for all our stakeholders.

Against this background, we would like to thank our shareholders for their renewed support. We appreciate their valuable input and will continue to take their views into account as we work to create long-term value for all our stakeholders.

13.2. The Directors

13.2.1. Remuneration policy

EVS is committed to having a Board of Directors that can provide sector-specific insights, dynamism, innovation, and diversity to better reflect the unique demands of the EVS market. This is an essential driver for the EVS profitable growth strategy in an international and innovative sector. To attract, motivate, and retain competent directors while contributing to the short-term and long-term performance of the company, our EVS remuneration policy grants to Directors both fixed and variable remunerations (for our non-executive Directors only and based on meeting attendance). This policy not only encourages attendance and contributions, but also supports our directors in bringing in technological innovation, cultural diversity, and new perspectives. Additionally, it promotes prudent risk management, while aligning with Belgian recommendation from Governance institutes such as Guberna and uses company peer-groups to establish Belgian benchmarks relevant to EVS' specificities in terms of company size, international footprint, and technological innovation.

- Non-executive Directors: they receive an annual fixed amount, eventually on a pro rata basis. This fixed amount includes participation to six meetings per year. The non-executive Directors also receive, as remuneration for the performance of their mandate, a fixed amount for each Board of Director meeting above six meetings per year and special committee meeting attended.

- Executive Directors: to align with Belgian market standards, it has been decided that Executive Directors shall no longer receive any remuneration as of January 1, 2023.

The policy and the remuneration of the Directors are approved by the Ordinary General Meeting.

Since the Ordinary General Meeting of May 2023 approved the 2023 remuneration policy (with effect as of January 1, 2023), the remuneration of the Directors is therefore fixed as follows (EUR):

		Fixed amount		Variable amount linked to attended meetings		Other[1]
		Board of Directors	Special committees	Board of Directors	Special committees	
Non-executive						
Innoconsult BV, represented by Martin DE PRYCKER	Independent Director	22,000 covering up to 6 meetings per year.	4,000 being Chairman of the Audit Committee	2,000 above 6 meetings for a full year of presence	1,500 per attendance	
7 Capital Srl, represented by Chantal DE VRIEZE	Independent Director	22,000 covering up to 6 meetings per year.		2,000 above 6 meetings for a full year of presence	1,500 per attendance	
Acompany You Srl, represented by Anne CAMBIER	Independent Director	22,000 covering up to 6 meetings per year.	4,000 being Chairman of the Nomination and Remuneration Committee	2,000 above 6 meetings for a full year of presence	1,500 per attendance	
The House of Value – Advisory & Solutions BV, represented by Johan DESCHUYFELEER	Chairman and Independent Director	44,000 covering up to 6 meetings per year.		2,000 above 6 meetings for a full year of presence	1,500 per attendance	
Frédéric Vincent	Independent Director	22,000 covering up to 6 meetings per year.		2,000 above 6 meetings for a full year of presence	1,500 per attendance	
Marco Miserez	Independent Director	22,000 covering up to 6 meetings per year.		2,000 above 6 meetings for a full year of presence	1,500 per attendance	
Frinso Srl represented by Soumya Chandramouli	Independent Director	22,000 covering up to 6 meetings per year.		2,000 above 6 meetings for a full year of presence	1,500 per attendance	
Executive						
Michel COUNSON	Managing Director	Not entitled to any remuneration				
InnoVision BV	Managing Director	Not entitled to any remuneration				

The fixed amounts are adjusted pro rata temporis according to the appointment/resignation date during the year.

Remarks:
- The Company and its subsidiaries do not provide any personal loans, guarantees and such to the members of the Board of Directors or the Executive Management. If Directors are charged with special tasks or projects, they are entitled to receive an appropriate remuneration for those activities, which is notably the case for the Executive Directors.
- No termination compensation is provided for non-executive Directors at the end of their mandate. Non-executive directors do not receive any shares, warrants or stock options. Non-executive directors do not receive any performance-based compensation and retirement benefits.

13.2.2. Remuneration report in 2023

In 2023, Directors received the following compensation for the execution of their mandate (EUR) in application of the 2023 remuneration policy as described above:

[1] The Ordinary General Meeting of May 2022 unanimously approved the granting to the members of the Board of Directors of an additional global remuneration of EUR 25,000 per year for all members of the Board of Directors for the performance of exceptional tasks in the context of their function as director as validated by the Board of Directors (such as, in particular, interviews, preparation meetings and other internal meetings other than meetings of the Board of Directors or of a Committee (Audit, Remuneration or Strategic)). This amount is allocated by the Board of Directors among its members according to the number and importance of exceptional missions actually carried out by each of them.

		Fixed amount		Variable amount linked to attended meetings		Other	TOTAL 2023
		Board of Directors	**Special committees**	**Board of Directors**	**Special committees**		
Non-executive							
Innoconsult BV, represented by Martin DE PRYCKER	Independent Director	22,000	4,000	4,000	6,000	-	36,000
7 Capital Srl, represented by Chantal DE VRIEZE	Independent Director	22,000	-	-	6,000	-	28,000
Acompany You Srl, represented by Anne CAMBIER	Independent Director	22,000	4,000	4,000	7,500	1,500	39,000
The House of Value – Advisory & Solutions BV, represented by Johan DESCHUYFELEER	Independent Director	44,000	-	4,000	10,500	-	58,500
Frédéric Vincent	Independent Director	22,000	-	2,000	7,500	2,500	34,000
Marco Miserez	Independent Director	22,000	-	4,000	6,000	1,500	33,500
Frinso Srl, represented by Soumya Chandramouli	Independent director	13,802.74	-	-	-	-	13.802,74
Executive							
Michel COUNSON	Managing Director	-	-	-	-	-	-
InnoVision BV, represented by Serge VAN HERCK	Managing Director	-	-	-	-	-	-
TOTAL							**242,802.74**

As of December 31, 2023, based on the last statements received by the company and the latest modification of the shareholders' register, the members of the Board of Directors held, directly or indirectly, 835,906 shares of a total of 14,327,024, or 5.8% of the capital.

13.3. The CEO and the other members of the Executive Management (known as the Leadership Team)

13.3.1. Remuneration policy

13.3.1.1 Our vision

EVS is committed to offer everyone an individualized, fair, and competitive compensation package that reflects their performance and level of responsibility.

Our remuneration policy regarding the members of the Executive Management is founded upon five core values that drive our efforts to attract, motivate and retain competent and professional executives:

- First, we ensure that our compensation aligns with company peer-groups to establish Belgian benchmarks relevant to EVS' specificities in terms of company size, international footprint, and technological innovation to remain competitive in the local market.
- Second, we strive to be innovative by considering new differentiation methods to provide unique and attractive compensation packages.
- Third, we strike a balance between the Belgian and international markets to ensure our compensation packages remain relevant and competitive globally.
- Fourth, we consider the specificity of the technology sector to cater for the unique demands of this rapidly evolving industry.
- Finally, our policy is designed to promote long-term profitable and sustainable growth while considering the interests of all stakeholders, including shareholders, customers, and team members.

Together, these values underpin our remuneration policy and enable us to attract and retain the best talent, skills, and abilities, while motivating our executives to achieve the company's short-term and long-term ambitions and objectives.

Against this background, the level of the remuneration is determined as a function of the tasks and responsibilities and is assessed annually by the Nomination and Remuneration Committee. The level of remuneration is also compared to external references, either through studies or through external counsel. In particular, our remuneration policy takes into account the market position and individual contributions of each member of the Executive Management, in alignment with our remuneration policy applying to all company personnel. To this end, we are using Hay Group's Job Evaluation Methodology (managed by the company Korn Ferry) to grade functions and benchmark these against market practices. The HR department requests Korn Ferry Hay Group to regularly perform a sanity check of the existing classification to ensure a correct, consistent and solid basis for classification related applications. At EVS, comparisons to the market are made with the median of the market, rather than the average. To be at a fair level of remuneration compared to the market, we consider a fair remuneration in a range between 80% and 120% of the market median. The benchmarks used are chosen according to the sector, the size of the companies and the location.

13.3.1.2 Compensation components of the CEO and other members of the Executive Management

13.3.1.2.1 Overview

Our remuneration policy for the members of the Executive Management foresees a

i. fixed compensation complemented by
ii. a short-term variable cash compensation (STI) that is based on financial and non-financial performance criteria (EBIT, Order Intake and Performance) paid in cash and
iii. a long-term incentive consisting of warrants/stock options.

The variable compensation pillars are distributed according to the percentages listed in the below table:

	Base compensation (BC)	STI (a) On Target	STI (a) Metrics			LTI (b) Stock options	Other benefits (c)	Insurance and pension contributions (c)
			Fin.	Fin.	Non-Fin.			
			EBIT	Order Intake	Performance			
CEO	EUR 400,801	40% of BC	70%	-	30%	Max. 45% of BC	None	N/A
CCO		45% of BC	35%	55%	10%	Max. 20% of BC	None	N/A
CFO		25% of BC	70%	-	30%	Max. 20% of BC	None	N/A
CMO		25% of BC	70%	-	30%	Max. 20% of BC	None	N/A
CPO		25% of BC	70%	-	30%	Max. 20% of BC	None	N/A
CTO		25% of BC	70%	-	30%	Max. 20% of BC	None	N/A
CXO		25% of BC	70%	-	30%	Max. 20% of BC	None	N/A

(a) Cash-based Short-Term Incentive (STI)

The financial and non-financial metrics of the Short-Term Incentive (STI) (e.g. the annual EBIT, Order Intake and Performance, as provided for in the Remuneration Policy) are essential to achieve EVS' strategic objectives in the short term.

- Financial
  - The annual EBIT (Earnings before interest and taxes) objective allows our company to aim for improving our profitability, ensuring our financial performance, and strengthening our long-term financial capacity, notably to ensure compliance with our dividend distribution policy.
  - The annual order intake objective is essential to ensure that we increase our sales as well as strengthening the customer relationship while ensuring our company maintains a steady growth of revenue and consolidates our position in the market.
- Non-Financial
  - The annual performance objective helps to focus on projects that are either important and/or urgent to carry out during the given year, considering the interests of the company and its customers.

All the above elements enhance shareholders' value by contributing to our company's growth strategy, interests, and long-term sustainability, in combination with the allocation of warrants or stock options, which provide long-term focused benefits. It is to be noted that the achievement of the metrics linked to the Short-Term Incentive will always be evaluated at constant perimeter versus the budget.

The financial STI targets are validated by the Board of Directors at the beginning of the relevant financial year and the achievements are followed up quarterly and assessed annually. The assessment period is the last fiscal year and the STI amount is confirmed at the end of the first quarter of the following year. The Nomination and Remuneration Committee is assessing the target achievements and the related payout compared to the results of the company to ensure that the future targets remain in line with the global performance of the company.

The weights in percentage of the STI criteria are assessed by the Board of Directors annually and adapted, when necessary, by amending our Remuneration Policy, subject to the approval of our shareholders.

(b) Warrant/stock options-based Long-Term Incentive (LTI)

Stock options that apply to existing shares or give a right to subscribe to newly created shares in case of a capital increase in the future are called “warrants” in Belgium. Alternatively, the company may also grant stock options that apply to existing shares only, which are referred to herein as stock options. In both cases, the beneficiary will be given the right to buy the company's stock at a pre-determined price (strike price) before an expiration date but after a minimum vesting period of 3 years, which implies that the company is rewarding, retaining, and motivating the executives on the long term. In most countries, stock options are considered taxable when they are exercised. In Belgium, however, a special regime is in place that requires a taxation when the options are granted. As such, there is an upfront investment when the warrants or stock options are awarded which implies that the beneficiary may lose such upfront investment in case the warrants or stock options cannot be exercised (e.g. if the warrant or stock option expires before it reaches the strike price or in case of departure of the beneficiary from the company).

The compensation in warrants/stock options contributes to our company's commercial strategy, interests, and long-term sustainability and is in line with the shareholders’ expectations to create shareholders’ value:

- On the one hand, insofar as the beneficiaries are directly incentivized to contribute to the company's profitable growth, which they can benefit from by exercising their warrants/stock options if the company's value were to increase between the time of allocation and the exercise of these warrants/stock options. This also motivates them to take sustainable and value creation actions.
- On the other hand, insofar as the beneficiaries are incentivized to stay and invest in the company if they want to be able to benefit from the exercise of the warrants/stock options that have been allocated to them, as the warrants/stock options are taxed at the time of allocation (this investment being lost in the event of departure) and may only be exercised at least three calendar years after their allocation

(c) Other benefits and pension contributions

The CEO and the other members of the Executive Management are management companies which provide their services on an independent basis, which implies that they do not benefit from other benefits, insurance, and pension contributions such as our employees do.

(d) Focus on performance and multi-year objectives

While the above variable remuneration of our executives is deviating from the Belgian Companies and Association Code in principles which is allowed subject to the approval of the General Meeting (Under the terms of the 2nd Indent of Article 7:91 of Belgian Company and Association Code, in a listed company, if an executive variable pay exceeds one-quarter of annual remuneration, at least one-quarter of the performance period must exceed two years, and another one-quarter must exceed three years, unless otherwise approved by the General Meeting), EVS has gradually introduced since 2023 an updated warrant/stock options based LTI to attract, retain and reward the Executive Management by aligning the warrants/stock options based LTI on performance criteria and multi-year objectives.

This updated LTI is a powerful tool for even more aligning the interests of our company's Executive Management with the long-term sustainable growth of EVS. By providing rewards for loyalty, profitability growth, and ESG objectives, the updated LTI will further help strengthening the culture of accountability and responsibility and drive sustained success for EVS over the long term and increase shareholder value.

From 2023, the updated LTI provides yearly a variable number of warrants/ stock options based on:

- *Long term performance*, which is evaluated based on (1) the long-term profitability growth (two-years rolling EBIT growth) and (2) the positive evolution of environmental, social, and governance (ESG) objectives, up to a level of 50% of the weight of the LTI. Since 2022, EVS has introduced the necessary measurement instruments to assess these long-term performance indicators and grant warrants/stock options based LTI accordingly. Both indicators are governed by the EVS multi-year Strategic and ESG rolling plans.
- *Loyalty and retention* of the Executive Management, which secures EVS' strategic growth. As the beneficiaries must pay a non-recoverable tax upon the grant of the warrants/stock options (at Belgian level), and that they are required to wait for a minimum vesting period of 3 years before they can exercise their warrant/stock options, The LTI provides a reward to team members who stay with the company for a specified period.

The updated LTI granted to the CEO and the other members of the Executive Management can be summarized as follows:

LTI criteria

	Performance		Loyalty/retention
	Financial multi-year objectives	*ESG (multi-year) objectives*	
LTI 2023	*5%*	*5%*	*90%*
LTI 2024	*15%*	*15%*	*70%*
LTI 2025 and beyond	*25%*	*25%*	*50%*

LTI payout

Performance (Financial and ESG) Target	***Below Threshold***	***Threshold***	***On-Target***	***Cap***
Achievement	*<50%*	*50%*	*100%*	*150%*
Payout	*0%*	*0%*	*100%*	*200%*

(e) **Potential deviation from the Remuneration Policy for the members of the Executive Management**

The Ordinary General Meeting of 16 May 2023 has approved that, in exceptional circumstances and within the conditions of article 7:89/1 of the Belgian Company and Association Code, the Board of Directors may deviate temporarily from the 2023 remuneration policy if necessary to serve EVS' long-term interests and sustainability, by way of the granting of a stand-alone bonus to members of the Executive Management based on percentage of the secured order intake of more than 5 years or order intake related to Big Event Rental, in both cases capped to a maximum percentage of 0,2% of the relevant order intake. A "Big Event Rental" is defined as a rental of EVS products and/or solutions in the framework of a big event which does not occur annually.

Indeed, the nature of the business is gradually evolving towards very long-term strategic partnerships, which must be encouraged. Exceptional transactions are not predictable on a YoY basis and call for exceptional rewards.

To implement such deviation, the Nomination and Remuneration Committee will present a special request for deviation to the Board of Directors for discussion and approval. No such deviation will be implemented in the absence of prior approval by the Board of Directors. Any deviation will be described and explained in the company's annual remuneration report in accordance with the Belgian Companies and Associations Code.

The Board of Directors considers that such deviation procedure is in line with market practice for Belgian listed companies and will make it possible to reward exceptional performance and retain key executive members in the interest of EVS' sustained success in the long term.

13.3.1.2.2 STI

a. CEO

EBIT Target (70%)	**Below Threshold**	**Threshold**	**On-Target**	**Cap**
Achievements	<80%	80%	100%	120%
EBIT Target: 33,000 kEUR	*< 26,400 kEUR*	*26,400 kEUR*	*33,000 kEUR*	*39,600 kEUR*
Payout	0%	50%	100%	150%

Performance Target (30%)			**On-Target**		**Cap**
Achievements	0%	50%	100%	125%	150%
Payout	0%	50%	100%	125%	150%

STI Maximum opportunity: 60% of the Base Compensation (i.e 240.481 EUR)

b. CCO

EBIT Target (35%)	Below Threshold	Threshold	On-Target	Cap
Achievements	<80%	80%	100%	120%
EBIT Target: 33,000 kEUR	*< 26,400 kEUR*	*26,400 kEUR*	*33,000 kEUR*	*39,600 kEUR*
Payout	0%	50%	100%	150%

Performance Target (10%)			On-Target		Cap
Achievements	0%	50%	100%	125%	150%
Payout	0%	50%	100%	125%	150%

Order Intake Target (55%)	Below Threshold	Threshold	On-Target	Cap	Super Cap
Achievements	<80%	80%	100%	110%	120%
Payout	0%	30%	100%	145%	200%

STI Maximum opportunity: 71% of Base Compensation

c. CFO, CTO, CPO, CMO, CXO

EBIT Target (70%)	Below Threshold	Threshold	On-Target	Cap
Achievements	<80%	80%	100%	120%
EBIT Target: 33,000 kEUR	*< 26,400 kEUR*	*26,400 kEUR*	*33,000 kEUR*	*39,600 kEUR*
Payout	0%	50%	100%	150%

Performance Target (30%)			On-Target		Cap
Achievements	0%	50%	100%	125%	150%
Payout	0%	50%	100%	125%	150%

STI Maximum opportunity: 30% of Base Compensation

Remark on 2023 disclosure:

- EBIT and Order Intake Target: while it would be detrimental for EVS business (especially with regard to the competition) to disclose the details of the Order Intake target, we have decided to share both 2023 EBIT target and achievement to increase the transparency towards our shareholders. It is to be noted that the achievement of the EBIT is always measured at constant perimeter versus the budget.
- The non-financial Performance Targets of the CEO were based on (i) the results of the 2023 EVS team members engagement survey (91%) and (ii) the 2023 customer satisfaction survey (Devoncroft NPS 43.4 – Top 10%)
- The non-financial Performance Targets of the other members of the Executive Management typically relate to operational efficiency, customer, and team member satisfaction. Find below some examples of 2023 performance targets:
  - Customer satisfaction
    - Maintain high level of Customer satisfaction (NPS)
    - Engagement with user communities
    - Optimization of Channel partner support
  - Team member satisfaction
    - Renew the Top employer certification
    - Maintain high level of satisfaction in yearly engagement survey
    - Further improve Comp&Ben strategy
  - Operational efficiency:
    - Improvement of internal processes
    - Increase technological knowledge
    - Cost control

There is no advance payment for the variable remuneration of the members of the Executive Management.

13.3.1.2.3 Claw-back provisions

As a preliminary comment, please note that Claw-back provisions are limited because the potential beneficiaries do not receive any advance payment.

(a) Consequences on the STI in case of termination of the services agreement of the CEO and other members of the Executive Management

In case of termination of the services agreement of the CEO and other members of the Executive Management, the STI is not due, except in case of termination (i) by EVS without cause (or for unavailability of the provider due to medical reason or death) or (ii) by the provider with cause, in which cases, the provider shall remain entitled to the payment of the STI:

- related to the fiscal year preceding the year during which the written notice of termination shall have been given.
- related to the fiscal year during which the written notice of termination shall have been given only if the written notice is given after July 1 of such fiscal year, and only on a pro rata basis (or when the cause is for unavailability of the provider due to medical reason or death, 50% of such STI is due if the written notice is given before July 1 of such fiscal year or 100% of such STI is due if the written notice is given after July 1 of such fiscal year).

(b) Consequences on the LTI in case of termination of the services agreement of the CEO and other members of the Executive Management

In case of termination of the services agreement of the CEO and other members of the Executive Management, the non-exercisable warrants/ Stock options are lost unless the Board of Directors decides otherwise.

13.3.2. Remuneration report in 2023

13.3.2.1.1 Overview

CEO

Metrics	Weight (%)	Threshold	Target	Cap	Actual
Annual EBIT	70%	26,400,000 €	33,000,000 €	39,600,000 €	**41,410,000 €** (125,48% of EBIT Target)
Payout		55,979 €	111,958 €	167,937 €	**167,937 €** (Cap amount reached)
Non-Financial	30%				
Performance targets* Payout		23,991 €	47,982 €	71,973 €	**59,978 €** 125% of On-Target payment
TOTAL					
					227,915 € 143% of On-Target payment

Others

Metrics	Weight (%)	Threshold	Target	Cap	Actual
Financial					
Annual EBIT	70 (35 for CCO only)	26,400,000 €	33,000,000 €	39,600,800 €	**41,410,000 €** (125,48% of EBIT Target)
Order Intake Target	55 for CCO only	Nondisclosed	Nondisclosed	Nondisclosed	Nondisclosed
Payout EBIT **Payout OI**		133,934 € 22,942 €	267,867 € 76,474 €	401,801 € 110,887 €	**401,801 €** 150% of On-Target payment 105,566 €
Non-Financial	30 (10 for CCO only)				
Performance targets* Payout		53,924 €	107,848724 €	161,772 €	**133,785 €** 124% of On-Target payment
TOTAL					
					641,152 € 142% of On-Target payment

***** Please find below some examples of the 2023 Performance targets:

- Customer satisfaction
  - Maintain high level of Customer satisfaction (NPS)
  - Engagement with user communities
  - Optimization of Channel partner support

- Team member satisfaction
    - Renew the Top employer certification
    - Maintain high level of satisfaction in yearly engagement survey
    - Further improve Comp&Ben strategy
- Operational efficiency:
    - Improvement of internal processes
    - Increase technological knowledge
    - Cost control

13.3.2.1.2 CEO

InnoVision BV, represented by Serge Van Herck, CEO received as Base Compensation a total amount of EUR 400,801 and a STI of EUR 227,915 for the year 2023.

The average increase of 10% of the Base Compensation compared to last year's Base compensation (EUR 363,225) can be explained by the increase of the life costs and the evolution of the compensation benchmarks for such functions.

13.3.2.1.3 Other members of the Executive Management

For fiscal year 2023, the other members of the Executive Management were:

- Ikaro Srl, represented by Nicolas BOURDON, CMO
- RCG Srl, represented by Quentin GRUTMAN, CCO
- M2C Srl, represented by Pierre MATELART, CPO
- WeMagine Srl, represented by Veerle DE WIT, CFO
- Tols BV, represented by Xavier ORRI, CXO
- Openiris Ltd, represented by Alex REDFERN, CTO

The other members of the Executive Management received a global Base Compensation of EUR 1,606,772 (total company cost) and a STI of EUR 652,706 (total company cost) for the year 2023, which represents an average total company cost regarding the Base Compensation of EUR 267,795 and regarding the STI of EUR 108,784 per other member of the Executive Management. Additional exceptional bonuses of EUR 50,000 and EUR 14,720 were granted in accordance with the procedure offered in the remuneration policy as set forth under section 13.3.2.1.

The average increase of 8% of the Base Compensation compared to last year Base compensation (1,490,980) can be explained by the learning curve of some Leadership Team Members (and increase by steps associated), by the increase of the life costs and the evolution of the compensation benchmarks for such functions.

13.3.2.1.4 Warrants/ Stock options

As indicated in the procedure set forth under 13.3.1.2.1 (d), EVS has gradually introduced since 2023 an updated warrant/stock options based LTI to attract, retain and reward the Executive Management by aligning the warrants/stock options based LTI on performance criteria and multi-year objectives.

In 2023, the CEO and the other members of the Executive Management, received warrants as follows in accordance with the 2023 EVS Warrants Plan:

Serge Van Herck	34,650 warrants	+5% compared to the On-Target amount (33,000)
Alex Redfern	10,500 warrants	+5% compared to the On-Target amount (10,000)
RCG Srl	10,500 warrants	+5% compared to the On-Target amount (10,000)
Ikaro Srl	7,850 warrants	+5% compared to the On-Target amount (7,500)
Pierre Matelart	7,850 warrants	+5% compared to the On-Target amount (7,500)
Veerle De Wit	7,850 warrants	+5% compared to the On-Target amount (7,500)
Xavier Orri	7,850 warrants	+5% compared to the On-Target amount (7,500)
TOTAL	**87,150 warrants**	

On the basis of the procedure set forth under 13.3.1.2.1 (d):

	Performance		Loyalty/retention
	Financial multi-year objectives	*ESG (multi-year) objectives*	
Weight	*5%*	*5%*	*90%*
Target	*5% annual growth in accordance with EVS 5 years business plan (two-years rolling EBIT growth)*	*Adoption of the ESG 2030 ambition objectives as per the ESG applicable legislation*	
Achievement	*Cap reached*	*Adopted*	
Payout	*10% (200% cap payout)*	*5% (100% On-Target payout)*	*90%*

Other active warrants plans:

The main features of the 2020 Warrant Plan were as follows:
- Grant date: 22 October 2020
- Vesting period: 3 calendar years (until 31 December 2023)
- First possible day of exercise: 1 January 2024
- Term of options: 6 years (expiration date of warrants: 21 October 2026)
- Strike price: 13.69 EUR (Average of EVS close share price 30 days before 22 October 2020)

The main features of the 2021 Warrants Plan were as follows:
- Grant date: 22 June 2021
- Vesting period: 3 calendar years (until 31 December 2024)
- First possible day of exercise: 1 January 2025
- Term of options: 6 years (expiration date of warrants: 21 June 2027)
- Strike price: 18.21 EUR (Average of EVS close share price 30 days before 22 June 2021)

The main features of the 2022 Stock option Plan were as follows:
- Grant date: 29 September 2022
- Vesting period: 3 calendar years (until 31 December 2025)
- First possible day of exercise: 1 January 2026
- Term of options: 6 years (expiration date of stock options: 28 September 2028)
- Strike price: 18.62 EUR (Last closing price preceding 29 September 2022)

The main features of the 2023 Stock option Plan were as follows:
- Grant date: 25 October 2023
- Vesting period: 3 calendar years (until 31 December 2026)
- First possible day of exercise: 1 January 2027
- Term of options: 6 years (expiration date of stock options: 24 October 2029)
- Strike price: 25.85 EUR (Last closing price preceding 25 October 2023)

13.3.2.1.5 Exceptional bonus

Within the framework of the procedure as referred to under 13.3.1.2.1 (e) as approved in the 2023 remuneration policy that allows the Board of Directors to, in exceptional circumstances and within the conditions of article 7:89/1 of the Belgian Company and Association Code, to grant a stand-alone bonus to members of the Executive Management to serve EVS' long-term interests and sustainability based on percentage of the secured order intake of more than 5 years or order intake related to Big Event Rental (in both cases capped to a maximum percentage of 0.2% of the relevant order intake), the following exceptional bonus has been granted respectively in 2023 and 2024:

- In accordance with the Remuneration Policy, the Nomination and Remuneration Committee has presented a special request for deviation to the Board of Directors for discussion and approval further to the conclusion of an exceptional 10-year contract worth over USD 50,000,000 with a major US-based broadcast and media production company. Based on this special request, the Board of Directors has approved on 30 May 2023 the grant of an exceptional bonus of 50,000 EUR (i.e. less than 0.1% of the order intake of the above-mentioned contract) to the CCO, RCG Srl, represented by Quentin Grutman. The grant of such bonus is justified by the exceptional character of such multi-year agreement which represents a new milestone in the history of EVS and clearly demonstrates that EVS is seen as a solid partner, able to meet future challenges of the broadcast and media industry.
- In accordance with the Remuneration Policy, the Nomination and Remuneration Committee has presented a special request for deviation to the Board of Directors for discussion and approval further to the conclusion of the 2023 Big Event Rental amounting to 7,36MEUR. Based on this special request, the Board of Directors has approved on 28 March 2024 the grant of an exceptional bonus of 14,720 EUR (i.e. 0,2% of the order intake

of the above-mentioned 2023 Big Event Rental Order Intake) to the CCO, RCG Srl, represented by Quentin Grutman. The grant of such bonus is justified by the importance of the Big Event Rental for EVS for the continued success of the company in the future.

13.4. Comparative information on the evolution of compensation and company performance - Ratio between the highest paid member of the management (CEO) and the lowest paid employee in Belgium

The below table shows the evolution of the compensation over a period of 5 years.

In €	2019	2020	2021	2022	2023
Remuneration Evolution					
Average remuneration of employees	81,572	78,056	90,281	93,268	102,145
Annual remuneration of all employees	37,849,582	39,652,396	47,287,513	53,456,704	60,497,215
EVS Performance					
EBIT (€ million)	23.0	5.7	37.1	31.7	41.1
Order intake (€ million)	120.6	103.4	149.3	218.8	192.9
ROCE	27.3%	8.1%	38.0%	31.3%	34.6%
Free cash-flow (€ million)	21.2	9.5	38.2	3.5	28.2

As defined by the law of April 28, 2020, the Group publishes the ratio between the highest paid member of the management (CEO) and the lowest paid employee in Belgium. For 2023 this ratio is 11x. In terms of methodology, the average compensation of employees is calculated by dividing the total wage costs by the average number of FTEs in the year. As of 2023, the denominator (i.e. the average number of FTEs) excludes the permanent contractors from the calculation (20 FTE in 2023 including 7 leadership team members in 2023) in order to consider only the employees on the payroll for the calculation of the average remuneration by employee. Average remuneration figures have been restated accordingly from 2021 onwards.

Lowest paid employee is defined as a full-time employee in Belgium who has worked for a full year and holds the lowest base salary at year end, actual total remuneration received by such employee is considered in the calculation of the ratio.

Publishing of this ratio is a new practice required by the law and as such it will be assessed and evaluated in the future considering the evolution of the ratio.

14. CONFLICT OF INTEREST PROCEDURES

During the year under review, there was no conflict of interest according to the specific procedure provided for under Article 7:96 of the Belgian Company and Association Code.

15. RISKS AND UNCERTAINTIES

Investing in the stock of EVS Broadcast Equipment ("EVS") involves risks. As requested by the EU Regulations and the Belgian law (Belgian Company and Association Code and Royal Decree of 14 November 2007), you and any investor should carefully consider the following risk elements and all other information contained in this annual report before purchasing our common stock. If any of the following risks occur, our business, financial condition or results of operations could be impacted. In that case, the trading price of our common stock could decline, and you may lose some or all your investment.

EVS describes the risks linked to the environment we act in. These are generic risks, that are potentially highlighted in our Risk Management Framework. If the generic risks are not taken up in our overall Risk Management Framework, this implies that the risk is likely not eminent now or the risk is considered a very general risk.

Generic risks pointed out by EVS are as follows:

- We face competition and if we are unable to compete effectively, we may experience decreased sales or pricing pressure, which would negatively impact our future operating results.

- We derive a substantial majority of our revenues from customers in the broadcast industry that use our products for both production and transmission of television content. If we fail to generate continued revenues from this market or if there is a downturn in this market, our revenues could decline.

- Even if we diversify our portfolio, we depend on sales of our XT and XS video server products, as they are generally at the core of all our solutions. If market demand for these products does not continue, our future operating results could be harmed.
- Our business may be harmed if our contract manufacturers are not able to provide us with adequate supplies of our products: this is an ongoing concern with the current shortage in the market of electronic components.
- If we experience delays, shortages or quality issues from our component suppliers, our product sales could suffer.
- Our future success depends on our ability to attract and retain key personnel, and our failure to do so could harm our ability to grow our business.
- The average selling price of our products may decrease which could negatively affect our operating results.
- Our end users require a high degree of product reliability. If we are unable to provide high quality products, our relationships with end users could be harmed.
- If we fail to develop and introduce new products or enhancements to existing products in a timely manner, or if we fail to manage product transitions, we could experience decreased revenues in the future.
- If we fail to respond to technological changes and evolving industry standards, our products could become obsolete or less competitive in the future.
- If our products do not interoperate with other systems, installations could be delayed or cancelled.
- Our products are highly complex and may contain undetected software or hardware errors, which could harm our reputation and future product sales.
- If we fail to manage our growth effectively, our business could be harmed.
- We may not be able to continue to maintain or increase our profitability and our recent growth rates may not be indicative of our future growth.
- Our quarterly operating results have fluctuated in the past and may continue to fluctuate in the future, which could cause stock price variances.
- We have significant international operations and derive most of our revenues from international customers, which exposes us to significant risks, including risks relating to currency fluctuations.
- Our future financial performance depends on growth in the markets for video servers and digital tapeless solutions. If these markets do not continue to grow at the rate that we forecast, our operating results will be materially and adversely impacted.
- Investment processes of our clients can be lengthy and unpredictable, which may make it difficult to predict sales in any particular quarter.
- Our use of open-source software and other third-party technology and intellectual property could impose limitations on our ability to market our products.
- Failure to protect our intellectual property could substantially harm our business.
- If a third party asserts that we are infringing its intellectual property, whether successful or not, it could subject us to costly and time-consuming litigation or expensive licenses, which could harm our business.
- We are subject to governmental export controls that could subject us to liability or adversely affect our ability to sell our products in international markets.
- We are subject to environmental and other health and safety regulations that may increase our costs of operations or limit our activities.
- We may expand through acquisitions of, or investments in, other companies, each of which may divert our management's attention, result in additional dilution to stockholders or use resources that are necessary to operate other parts of our business.
- The issuance of new accounting standards or future interpretations of existing accounting standards could adversely affect our operating results.

- Maintaining and improving our financial controls and the requirements of being a public company may strain our resources and divert management's attention.

- We or one of our affiliates might require additional capital to support business operations, and this capital might not be available on acceptable terms, or at all.

In 2023, EVS updated its Risk Management Framework.

Our focus remains mainly on high priority risks; however, we record all identified risks as a way of being in line with the EVS global strategy, ensuring coherence and helping to achieve our business objectives. It also helps us to assess whether we allocate resources efficiently.

Below we provide a non-exhaustive overview of some of the risks impacting EVS. Not all risks are shared transparently, as some risks could contain confidential information or could reveal competitive data. Mitigation actions are defined and implemented to address the identified inherent risks.

15.1. risks with high inherent risk

- Risk of cyberattack leading to business interruption including shutdown of critical systems, inability to produce, ship, deliver or support customers.
- Failure to attract the right Sales, Pre-Sales and Support talents with abilities to manage complex solutions and new business models, leading to inability to fulfill our growth ambitions, particularly in NALA region.
- Failure to expand the customer base and the products offering, potentially leading to overdependency on a small number of key customers with a small number of key products.

15.2. risks with moderate inherent risk

- Risks linked to the shortage of components is leading to unsecure delivery terms and higher prices. The inability to foresee the issues of the components market may negatively impact our customers should we no longer be in a position to deliver our customers in time. In particular, the Middle East and the Red Sea crisis results 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. Lack of proactiveness in the supply chain may lead to higher prices again impacting the sales price, or adversely the gross profit margin of EVS.
- Risk of data security vulnerabilities in our products may expose client data to security threats and potentially eroding the trust of our customer base.
- Risk of not anticipating changes in the market and in technologies, potentially resulting in a loss of competitive advantage and loss of the leadership position.
- Risk of being unable to sell and to manage support and operational readiness for complex solutions at customers' site in a sustainable manner, leading to increased cost and issues on the availability of EVS support teams.
- Risk of ineffective licence management, leading to loss of revenue, increase of internal cost or customer dissatisfaction.
- Risk of changes in fiscal legislation for tax deductions linked to innovation and research may directly affect our Net Profit and our Earnings Per Share.
- Failure to anticipate negative impacts from climate change (e.g. extreme heat, floods,…), may lead to business interruptions.
- Risk of fraud may lead to financial and reputational impacts.

The Board of Directors
Liège, March 28, 2024

CERTIFICATION OF RESPONSIBLE PERSONS

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

Certify that, based on their knowledge,

a) the annual 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 EVS Group and the companies included in the consolidation,
b) the management report fairly presents the important events and related parties transactions of 2023, including their impact on the full financial statements, and a description of the main risks and uncertainties.

* acting on behalf of a bv/SRL

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Notes	2023	2022
Revenue	3	173,191	148,158
Cost of sales	6.1	-52,548	-49,314
Gross profit	6.1	**120,643**	**98,844**
Gross margin %		**69.7%**	**66.7%**
Selling and administrative expenses	6.3	-46,567	-39,815
Research and development expenses	6.2	-31,836	-26,267
Other income	6.6	180	200
Other expenses	6.6	-488	-607
Profit-sharing plan and warrants	18.4	-790	-643
Operating profit (EBIT)		**41,142**	**31,712**
Operating margin (EBIT) %		**23.8%**	**21.4%**
Interest revenue on loans and deposits	6.5	230	106
Interest charges	6.5	-920	-912
Other net financial income / (expenses)	6.5	19	1,793
Share in the result of the enterprise accounted for using the equity method	5	80	67
Profit before taxes		**40,551**	**32,766**
Income taxes	7	-3,605	-1,422
Net profit		**36,946**	**31,344**
Attributable to:			
Share of the group		**36,946**	**31,344**
EARNINGS PER SHARE *(in number of shares and in EUR)*	8	**2023**	**2022**
Weighted average number of issued shares		13,427,915	13,411,972
Weighted average fully diluted number of shares		13,950,751	13,681,084
Basic earnings – share of the group		**2.75**	**2.34**
Fully diluted earnings – share of the group (1)		**2.65**	**2.29**

(1) The diluted earnings per share does include:

a. 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;
b. 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;
c. 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
d. 198,900 warrants attributed in October 2023, all outstanding with an exercise price below the share price and with a maturity in October 2029.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR thousands)	Notes	2023	2022
Net profit		**36,946**	**31,344**
Other comprehensive income of the period			
Currency translation differences	18.7	-270	324
Total of recyclable elements		**-270**	**324**
Difference on opening		-	460
Gains / (losses) on remeasurement of defined benefit obligations, net of tax	6.4	-378	1,373
Total of non-recyclable elements, net of tax		**-378**	**1,833**
Total other comprehensive income of the period, net of tax		**-648**	**2,157**
Total comprehensive income for the period		**36,298**	**33,501**
Attributable to :			
Share of the group		**36,298**	**33,501**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

ASSETS (EUR thousands)	Notes	Dec 31, 2023	Dec 31, 2022
Non-current assets:			
Goodwill	10	2,832	2,832
Other intangible assets	11	16,020	13,215
Lands and buildings	12	47,634	50,543
Other tangible assets	12	7,439	4,691
Investment accounted for using equity method	5	1,938	1,922
Other amounts receivable	15	3,458	3,647
Deferred tax assets	7.3	5,203	4,622
Financial assets	13	495	512
Total non-current assets		**85,019**	**81,984**
Current assets:			
Inventories	14	33,001	28,786
Trade receivables	15	67,243	58,856
Other amounts receivable, deferred charges and accrued income	15	15,122	14,365
Financial assets	16	244	174
Cash and cash equivalents	17	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	18	**8,772**	**8,772**
Reserves	18.6	198,897	183,390
Treasury shares	18.5	-17,174	-17,447
Total consolidated reserves		**181,723**	**165,943**
Translation differences	18.7	805	1,075
Equity, attributable to the owners of the parent		**191,300**	**175,790**
Non-controlling interest		-	-
Total equity		**191,300**	**175,790**
Provisions	20	1,738	1,637
Deferred taxes liabilities	7.3	11	10
Financial debts	19	10,444	11,528
Pension benefit obligations and other debts	6.4	143	120
Non-current liabilities		**12,336**	**13,295**
Financial debts	19	3,896	3,750
Trade payables	21	10,681	9,207
Amounts payable regarding remuneration and social security	22	12,481	11,219
Income tax payable		1,393	1,959
Other amounts payable, advances received, accrued charges and deferred income	21	19,489	17,996
Current liabilities		**47,940**	**44,131**
Total equity and liabilities		**251,576**	**233,216**

CONSOLIDATED STATEMENT OF CASH FLOW

	Notes	2023	2022
Cash flows from operating activities			
Net profit, share of the group		**36,946**	**31,344**
Adjustment for:			
- Depreciation and write-offs on tangible and intangible assets	11, 12	8,042	6,738
- Profit-sharing plan and warrants	18.4	790	642
- Provisions	20, 6.4	-388	212
- Income tax expense	7	3,605	1,422
- Net financial expense (+) / income (-)	6.5	672	-987
- Share of the result of entities accounted for under the equity method	5	-80	-67
Adjustment for changes in working capital items:			
- Inventories	14	-4,216	-2,834
- Trade receivables	15	-8,198	-23,970
- Other amounts receivable, deferred charges and accrued income	15	-2,592	-3,889
- Trade payables	21	1,474	-1,290
- Amounts payable regarding remuneration and social security	22	1,083	541
- Other amounts payable, advances received, accrued charges and deferred income		1,375	4,776
- Conversion differences(1)		-1,013	803
Cash generated from operations		*37,500*	*13,441*
Income taxes paid		-1,798	-2,469
Net cash from operating activities		**35,702**	**10,972**
Cash flows from investing activities			
Purchase of intangible assets	11	-4,525	-8,770
Purchase of tangible assets (lands and building and other tangible assets)	12	-3,013	-1,101
Disposal of tangible assets	12	37	-
Other financial assets	13	12	-102
Net cash used in investing activities		**-7,489**	**-9,973**
Cash flows from financing activities			
Repayment of borrowings	19	-1,105	-1,095
Payment of lease liabilities	19	-3,055	-2,828
Interests paid	6.5	-556	-688
Interests received	6.5	230	75
Dividend received from investee	5	64	64
Dividend paid	9	-21,497	-20,112
Net cash used in financing activities		**-25,919**	**-24,584**
Net increase 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**

(1) mainly related to EUR/USD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR thousands)	Notes	Capital	Reserves	Treasury shares	Currency translation differences	Equity, share of the group	Total Equity
Balance as at 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			**33,177**		**324**	**33,501**	**33,501**
Increase in shareholders’ equity							
Share-based payments	18.4		581			581	**581**
Operations with treasury shares	18.5		-329	329		-	**-**
Final dividend	9		-13,402			-13,402	**-13,402**
Interim dividend	9		-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)	Notes	Capital	Reserves	Treasury shares	Currency translation differences	Equity, share of the group	Total Equity
Balance as at 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**
Increase in shareholders’ equity							
Share-based payments	18.4		790			790	**790**
Operations with treasury shares	18.5		-273	273		-	**-**
Final dividend	9		-14,780			-14,780	**-14,780**
Interim dividend	9		-6,717			-6,717	**-6,717**
Other allocation			-81			-81	**-81**
Balance as per December 31, 2023		**8,772**	**198,897**	**-17,174**	**805**	**191,300**	**191,300**

NOTES TO THE IFRS CONSOLIDATED FINANCIAL STATEMENTS

1. INFORMATION ABOUT THE COMPANY

1.1. Identification

EVS Broadcast Equipment SA
Liege Science Park
Rue Bois Saint-Jean, 13
B-4102 Seraing
VAT: BE 0452.080.178
National Registered Number: BE0452.080.178
www.evs.com

EVS Broadcast Equipment SA was incorporated for an unlimited period on February 17, 1994, in the form of a public limited company governed by Belgian law. EVS Broadcast Equipment SA is a company whose shares are publicly traded. It has its head office in Belgium, Liège.

The consolidated financial statements of EVS Broadcast Equipment SA on December 31st, 2023, were established by the Board of Directors of March 28th, 2024. The Board of Directors is authorized to amend the consolidated financial statements up until the Annual General Meeting of Shareholders, scheduled to be held on May 21st, 2024.

The financial year starts on January 1 and ends on December 31 of each year. The consolidated financial statements are reported in euros (EUR).

1.2. Public information

The company's financial statements are filed with the "Banque Nationale de Belgique". Corporate by-laws and special reports required by the Belgian Company and Association Code can be obtained from the Commercial Court Registry in Liège and from the Belgian Official Bulletin "Moniteur Belge" and its related website ("http://www.ejustice.just.fgov.be/tsv/tsvf.htm"). These documents, as well as annual statements and any written information to shareholders, are also available at the company's registered office. Financial information is available on the Internet at www.evs.com.

1.3. Corporate purpose of the company

The corporate purpose of the company is the "development, marketing, and exploitation of audiovisual equipment as well as, more generally, any operations of a general, commercial, industrial, financial, fixed or movable property nature, in Belgium or elsewhere, directly or indirectly relating to the processing of pictures and sound, in whatever possible form. The company may have interests in any manner in any kind of businesses, firms, or companies with identical, analogous, similar or connected aims or which could further the development of its activities, supply it with raw materials or facilitate outlets for the company's services".

2. SUMMARY OF THE IFRS MATERIAL ACCOUNTING PRINCIPLES

2.1. Statement of compliance and basis of presentation

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 consolidated financial statements were authorized for issue by the Board of Directors on 28 March 2024.

2.2. Summary of changes in accounting policies

The Company consistently used the same accounting policies throughout all periods presented in its IFRS financial statements. The Company does not anticipate a change in the application of standards and interpretations. There is no other impeding change in accounting policy, at the exception of the first implementation of new or revised IFRS standards and interpretations as adopted by the European Union that became mandatory on 1 January 2023 and that are detailed as follows:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, effective 1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 January 2023
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective 1 January 2023
- IFRS 17 'Insurance contracts', effective 1 January 2023
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information, issued on 9 December 2021, effective 1 January 2023
- Amendments to IAS 12 'Income Taxes': International Tax Reform – Pillar Two Model Rules, effective 1 January 2023

The adoption of these new and amended standards has no impact on the financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Following the amendments to IAS 1, the Group has revised the disclosure of its accounting policies.

2.3. Alternative performance measures

The group uses so called "Alternative performance measures" ("APM") in the financial statements and notes. An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined in the applicable financial reporting framework (IFRS). A glossary describing these alternative performance measures is included at the end of this annual report. These measures are consistently used over time and when a change is needed, comparable information is restated and reported.

2.4. Consolidation principles

The consolidated financial statements include the financial statements of EVS Broadcast Equipment SA and of its subsidiaries prepared on December 31 of each year. The financial statements of the subsidiaries are prepared on the same date and in accordance with identical accounting principles. All the intra-group balances, intra-group transactions as well as the income, the expenses and the latent results included in the carrying amount of assets, generated by internal transactions, are eliminated in full.

2.5. Subsidiaries

Subsidiaries are those entities controlled by EVS. Control exists when the following criteria are met:

a) EVS has the power (legally or de facto) over the investee.
b) EVS is exposed or entitled to variable returns from its involvement with the investee; and
c) EVS has the ability to use its power over the investee to affect the amount of returns it gets.

When EVS has less than a majority of the voting or similar rights of an investee, EVS considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement(s) with the other vote holders of the investee,
b) Rights arising from other contractual arrangements,
c) EVS's voting rights and potential voting rights.

The subsidiaries are consolidated as from the acquisition date, which corresponds to the date on which the group took over control and up until such date as the exercise of this control ceases.

All companies over which control is exercised directly or indirectly are fully consolidated.

2.6. Interests in associates

Associated companies are companies in which the group has a significant influence, defined as an investee in which the group has the power to participate in its financial and operating policy decisions (but not to control the investee).

Associates are recognized according to the equity accounting method. These investments are carried in the balance sheet at the lowest value between that obtained by the equity method and the recoverable value. The group's share in the profit and loss of the associates is entered into the profit and loss account, in a distinct line "Share in the result of the enterprise accounted for using the equity method".

The financial statements of the associates are used by the group to apply the equity accounting method. The financial statements of the associates are prepared on the same reporting date as the parent company, based on similar accounting principles.

2.7. Summary of significant judgements, assumptions, and estimates

In preparing the consolidated financial statements, management is required to make judgments and 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 and the determination of the percentage of completion of construction works.

The following are critical judgements and estimations that management has made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

2.7.1. Revenue recognition

Under IFRS15, the transaction price is allocated to the identified performance obligations in the contract based on their relative standalone selling price. Judgement is required in determining the stand-alone price and the transaction price considering the contract duration.

- Determination of the contract duration

To define the duration of its contracts the group considers the contractual period in which the parties to the contract have present enforceable rights and obligations.

- Determination of stand-alone selling price

In situations where the stand-alone selling price is not directly observable, the group assess it using all information (including market conditions, EVS specific information or relevant customer information) that is reasonably available to the company.

Discounts granted because a customer entered into a contract are allocated to all performance obligations triggering the granting of the discount.

- Identification of performance obligations

Identifying the performance obligation requires judgement and a thorough understanding of the contract promises and how they interact with each other.

2.7.2. Fair-value of share-based payments

The Group's employees and management may receive a remuneration in the form of a share-based payment, such as a stock option or warrants. The stock options are measured at grant date, based on the share price at grant date, exercise price, expected volatility, dividend estimates, and interest rates.

2.7.3. Deferred Tax position

Deferred tax assets are recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. In making its judgment, management considers elements such as long-term business strategy, including tax planning opportunities and local tax laws enacted at the reporting date. Deferred tax details are presented in note 7.3.

2.7.4. Current expected credit loss

The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. For trade receivables, EVS applies the simplified approach permitted by IFRS 9 Financial instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The ability of the Company to collect its accounts receivable balances is dependent on the viability and solvency of its customers, who may experience financial difficulties that could cause them to be unable to fulfil their payment obligations to the Company. The Company develops its estimate of credit losses by number of days overdue and historical loss rates which are then adjusted for specific receivables that are judged to have a higher-than-normal risk profile after considering management's internal credit assessment, as well as macro-economic and industry risk factors.

2.7.5. Lease term under IFRS 16

When the Company acts as lessee, the lease term consists of the non-cancellable period of a lease, together with periods covered by options to extend the lease if the Company is reasonably certain to exercise these options, and periods covered by options to terminate the lease if the Company is reasonably certain not to exercise these options.
Judgment is required in assessing whether these options will be exercised or not, considering all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

2.7.6. Valuation of inventory and associated write-offs

Inventories are stated at the lower of cost or net realizable value. The calculation of the allowance for slow-moving inventory is based on consistently applied write off rules, which depend on both historical and future demand, of which the latter is subject to uncertainty due to rapid technological changes. On top of the minimum rules, more severe rules are applied in case of for example the decision to stop a business unit or product line. The remaining inventory on hand is in that case analyzed and reserved as appropriate. Inventory allowances are only reversed in case the above rules no longer apply or the written off inventory is sold or scrapped (see note 14 inventory).

2.7.7. *Functional currency of the group entities*

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

2.7.8. *Claims and contingent liabilities*

Related to claims and contingencies, judgement is necessary in assessing the existence of an obligation resulting from a past event, in assessing the probability of an economic outflow, and in quantifying the probable outcome of economic resources. This judgment is reviewed when new information becomes available and often with the support of internal and external expert advice.

2.7.9. *Recoverable amount of cash generating units including goodwill*

The Company tests the goodwill for impairment annually or more frequently if there are indications that goodwill might be impaired. The outcome of the goodwill impairment test performed in the last quarter of 2023 did not result in an impairment loss. The key assumptions that are used for estimating the recoverable amounts of cash generating units to which goodwill is allocated are discussed in note 10 (goodwill).

2.7.10. *Actuarial assumptions related to the measurement of employee benefit obligations and plan assets*

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation, and its long-term nature, a defined obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed on the reporting date and are discussed in note 6.4 (post-employment benefit).

2.7.11. *Estimation of useful life*

Property, Plant and Equipment are depreciated using a straight-line method to allocate their depreciable amount on a systematic basis over their useful life. For the headquarters building in Liège, the depreciable amount is the cost less its estimated residual value. The useful life of an asset is estimated on a realistic basis based on the experience of the group with similar assets and reviewed at least annually. The effect of changes in useful life are recognized progressively. The residual value exercise is reviewed at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate under IAS 8.

2.7.12. *Impact of the war in Ukraine on our activities*

Further to the long-lasting conflict in Ukraine, EVS continues to monitor and comply with the international sanctions on Russia and Belarus within the framework of its business in those regions. EVS does not anticipate that the compliance of those sanctions might impact its business results as the revenue for those regions is not material. EVS does not have local offices in the impacted region. The impact of the war, even if immaterial, is limited to signed orders, not being executed, or delivered and potentially missed new opportunities that may arise in that area.

2.8. Foreign currency translation

The individual financial statements of each subsidiary are prepared in the currency of the primary economic environment in which the entity operates. The functional currency reflects the underlying transactions, events and conditions that are relevant to the entity, as assessed by Management. The functional currency of the EVS Group entities is EUR except for the US entity EVS Inc. for which US Dollar is assessed by management to be the functional currency. The presentation currency of the financial statements of EVS Broadcast Equipment SA is the euro.

2.8.1. *Financial statements of foreign companies*

For all the subsidiaries, transactions in foreign currencies are initially recorded in the functional currency at the exchange rate in force on the transaction date. On the reporting date, the monetary assets and liabilities denominated in foreign currencies are converted into the functional currency at the exchange rate in force on the reporting date. The non-monetary items in foreign currency that are measured at the historical cost are converted at the exchange rates in force on the initial transaction dates. All exchange differences are recognized in the consolidated income statement.

For the EVS Inc. subsidiary that operates in USD, assets and liabilities are converted at the reporting date in euros (EUR), which is the functional currency of the parent company, at the exchange rate in force on the reporting date. Equity is converted at a historical exchange rate and income statement is converted at the average exchange rate of the period. Any exchange differences resulting from this conversion are recognized in other comprehensive income and shown under a separate heading of the shareholders' equity.

2.8.2. Transactions in foreign currencies

Transactions in foreign currencies are recognized at the exchange rate in force on the transaction date. The monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in force on the reporting date. The exchange gains or losses resulting from monetary transactions and the conversion of monetary assets or liabilities are recognized in the income statement. Non-monetary assets and liabilities are converted at the exchange rate of the foreign currency in force on the transaction date.

2.8.3. Exchange rates used

USD / EUR exchange rate	Twelve months average	At December 31 (closing rate)
2023	1.0815	1.1050
2022	1.0537	1.0666
Variation	*2.6%*	*3.6%*

GBP / EUR exchange rate	Twelve months average	At December 31 (closing rate)
2023	0.8698	0.8690
2022	0.8527	0.8869
Variation	*2.0%*	*-2.0%*

2.9. Intangible Assets

2.9.1. 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.

2.9.2. 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 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 intangible assets.
- 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.

After 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.

We also refer to note 2.25 for specifics on the treatment of research and development costs.

2.9.3. 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). After 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 at 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.

2.10. Tangible assets

The buildings are recorded at cost. Their value is reduced with depreciation and is not subject to fair value revaluation. The cost includes fees and costs. Subsidies that have been collected to finance the construction of the buildings are deducted from the cost of acquisition.

Since the commissioning of the headquarter building in Liège in 2015, the cost of the building, less estimated residual value, is depreciated over the estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period of the financial information.

The other tangible assets are recognized in the balance sheet at cost, less accumulated depreciation, and impairment losses.

The estimated useful lives of the tangible assets are as follows:

- Buildings: between 10 and 30 years
- Vehicles: between 3 and 5 years
- IT equipment: between 3 and 4 years
- Office furniture and equipment: between 3 and 10 years
- Plant and equipment: between 3 and 10 years
- Other tangible assets: between 3 and 4 years

The depreciation is calculated from such time as the asset is available for use.

A tangible asset is no longer recognized in the accounts from such time as it is sold, or no future economic benefit is expected from the asset. Any gain or loss generated at the time of the sale (calculated as the difference between the sale price and the net carrying amount of the element) is recognized during the period during which it was sold.

2.11. Impairment of non-financial assets

The Group assesses on each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or CGU's fair value, less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. When appropriate, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such an indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the statement of profit or loss.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

2.12. Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing stocks to the right place in the appropriate conditions are recognized as follows for both the current and previous year:

- the cost of the raw materials is determined using the weighted average price method.
- the cost of the finished goods and work-in-progress is the full cost, which covers all the direct costs (materials and labor) and a portion of the indirect production costs necessary to take the stock to completion on the reporting date, excluding the borrowing costs.

The net realizable value is the estimated sale price at the normal rate of the activity, less the estimated costs for the completion of the goods and the estimated costs necessary to realize the sale.

Write offs on inventories are applied on slow-moving inventory. The calculation of the allowance is based on write-off rules that are applied consistently, which depend on both historical and future demand, of which the latter is subject to uncertainty due to rapid technological changes.

2.13. Trade and other receivables

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price less an allowance for doubtful debts and less an amount for expected credit losses. The allowance for doubtful debts is recorded in operating income when it is probable that the company will not be able to collect all amounts due. Allowances are calculated on an individual basis, based on an aging analysis of the trade debtors. For the determination of the expected credit loss, EVS has applied the simplified approach and records lifetime expected losses on all trade receivables. This amount is determined on a portfolio basis, based on a provision matrix that considers historical credit loss experience.

2.14. Other non-current assets

Other non-current assets include long-term interest-bearing receivables and cash guarantees. Such long-term receivables are accounted for as receivables originated by the Company and are carried at amortized cost. An impairment loss is recorded when the carrying amount exceeds the estimated recoverable amount.

2.15. Cash and cash equivalents

The cash and cash equivalents include cash at bank and in hand and short-term deposits with an original maturity date or notice period of three months or less. All the investments are recognized at their nominal value in the financial statements.

2.16. Treasury shares

Sums paid or received during the acquisition or sale of the company's treasury shares are recognized directly in the equity. No profit or expense is included in the income statement during the purchase, sale, issuance, or cancellation of treasury shares. The treasury shares are classified under the "treasury shares" heading and are deducted from the total shareholders' equity.

2.17. Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the amount received, less the transaction costs to be allocated directly if they are significant. After the initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost, using the effective interest rate method. The profits and losses are recognized in the results when the liabilities are derecognized and via the effective interest rate method. Interest revenue is recognized as interest accrues.

2.18. Provisions

Provisions are recognized when the group has a present obligation (legal or implicit) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation value.

2.19. Pensions and other post-employment benefits

The post-employment benefits include pensions. The group operates defined contribution pension schemes. The minimum legal contribution is partially warranted by the insurance company.

However, according to IAS19, Belgian-defined contribution plans that guarantee a specified return on contributions are considered as defined benefit plans, as the employer is not responsible for the contribution payments but has to cover the investment risk until the legal minimum rates applicable.

IAS 19 requires an entity to recognize a liability when an employee has provided service in exchange for employee benefits to be paid in the future. Therefore, pension provisions are set up. The obligations are measured on a discounted basis since they are settled several years after the employees render the related service.

2.20. Share-based payment

The Group's employees and management may receive a remuneration in the form of a share-based payment, such as a non-transferable stock option plan (warrants), which allows them to acquire or receive group shares (equity-settled transactions), or such as payments determined on the value of the share (cash-settled transactions).

The cost of the stock option plans (warrants) is determined by reference to the fair value of the equity instruments granted, measured on the grant date. The fair value is determined using the Black & Scholes model, taking into account the characteristics and conditions governing the granting of the instruments.

The cost of equity-settled transactions is recognized as an expense and is offset by a corresponding increase in shareholder's equity over a period that ends on the date on which the beneficiary becomes creditor of the grant.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of "fully diluted" earnings per share but only when they have a dilutive effect when the exercise price is below the average share price of EVS ordinary shares during the fiscal year.

2.21. Revenue from contracts with customers

Revenue is recognized based on the identification of the performance obligations in a contract and when such obligations are satisfied.

As far as sale of equipment is concerned, this type of contract usually includes a single performance obligation for which the revenue recognition occurs at a point in time when the transfer of ownership happens, usually at the delivery of the equipment.

EVS also provides contracts that include licenses, cloud services or rentals that are only activated during a certain period determined in the contract. According to paragraph 31-38 of IFRS 15, the Group determines that the performance obligation is satisfied over time and, therefore, recognizes the revenue from these contracts accordingly.

Additionally, EVS provides contracts that are considered as projects including both installation, implementation services coupled with the delivery of products or licenses. When these contracts have a value of more than EUR 500 K and are spread over a period of more than 3 months, these contracts are therefore booked as service obligation completed gradually. The contractual arrangements being linked to the creation of an asset for the customer, the revenue should be recognized over time. This revenue is determined based on a percentage of completion of the contract. The Group has established that the stage of completion, which is determined in proportion to the total time expected to complete this type of projects at the end of the reporting period, is an appropriate method to estimate the revenue to recognize according to IFRS 15

Other services, sold separately or in combination with other equipment sale, are considered as a distinct performance obligation and when the services are sold in combination with the sale of the equipment, the transaction price is allocated based on the relative stand-alone selling price which is in general the separate price determined in the contract. In most cases, the revenue recognition occurs over time as the customer simultaneously receives and consumes the benefits provided by the group.

As regards to warranties, those are mostly assurance-type warranties and will continue to be recognized in accordance with IAS 37.

2.22. Government grants

2.22.1. European Union grants

Subsidies from the European Union are recognized at their fair value where there is reasonable assurance that they will be received and that all the conditions will be satisfied.

When the grant relates to an expense item, it is recognized as other income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is deducted from the carrying value of the related assets.

2.22.2. Investment grants

Investment grants are recognized when there is reasonable assurance that they will be received and that all the conditions attached will be satisfied.

Investment grants are recognized after deduction from the assets concerned and they are automatically deducted in the income statement from the depreciations of these assets.

2.23. Leases (EVS as lessee)

A contract is or contains a lease if it conveys a right to control the use of an identified asset for a period in exchange for a consideration. To determine whether a lease confers the right to control use of a determined asset for a determined period of time, the Group must evaluate whether, throughout the period of use, it has the right to:

- obtain substantially all the economic benefits from the use of the asset; and

- direct the use of the asset.

To determine the duration of the lease, any options for renewal or termination are considered as required under IFRS 16, taking into account the probability of exercising the option as well as whether it is under the control of the lessee.

At the start of the lease, the Group recognizes a right-of-use asset and a lease liability.

Right-of-use assets (RoU assets)

The group recognizes right-of-use assets on the date of the start of the contract, i.e. the date on which the asset becomes available for use. These assets are valued at the initial cost of the lease liability minus amortization and any depreciation, adjusted to consider any revaluations of the lease liability. The initial cost of the right-of-use assets includes the present value of the lease liability, the initial costs incurred by the lessee, rent payments made on the start date or before that date, minus any incentives obtained by the lessee. These assets are depreciated over the estimated lifetime of the underlying asset or over the duration of the contract if this period is shorter, unless the group is sufficiently certain of obtaining ownership of the asset at the end of the contract.

Lease Labilities

The lease liability is valued at the present value of the rent payments that have not yet been paid. The present value of the rent payments is calculated using the interest rate implicit in the lease if it is possible to determine that rate. If not, the incremental borrowing rate is used, which represents the interest rate that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Over the duration of the contract, the Company values the lease liability as follows:

- by increasing the book value to reflect the interest on the lease liability;
- by reducing the book value to reflect the rent payments made;
- by revaluing the book value to reflect the new appreciation of the lease liability or amendments to the lease.

Short term leases (duration of 12 months or less) and low-value leases (leases of assets with a value below EUR 5,000) are expensed when incurred.

2.24. Leases (EVS as lessor)

The existence of a lease within an agreement is reported based on the substance of the agreement. Lease agreements are classified depending on which party carries the risks and rewards associated with owning the asset.

2.24.1. Finance leases

A lease agreement is classified as a financial lease if it transfers substantially to the lessee the risks and rewards inherent to ownership of the asset. When assets are leased out under a finance lease, these assets are derecognized, and the present value of the future lease payments is recognized as an earned product. The difference between the gross total receivable (lease and financing) and the value of the receivable is recognized as unearned finance income.

2.24.2. Operating leases

A lease agreement is classified as an operating lease if it doesn't transfer substantially to the lessee the risks and rewards inherent to ownership of the asset. When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. Lease income is recognized over the term of the lease on a straight-line basis.

2.25. Research and development costs

Research and development costs are expensed when incurred except for the research and developments costs related to new products or new technologies which are capitalized if those assets are subject to generate future economic benefits and if the recognition criteria of IAS 38 are met. We also refer to note 2.9.2.

The fact that EVS operates in a market that is characterized by a rapid evolution of technologies implies that most of the R&D costs are linked to the development of very specific features on existing solutions. This is to ensure our solutions are consistently best in class and evolve with our customers' needs. In such a context, it is generally difficult to evaluate and predict the future economic benefit of a specific feature. In addition, for such granular developments, EVS cannot dissociate the research phase from the development phase. As such, most of the development costs incurred in 2023 are considered as operational costs and cannot be capitalized (criteria of IAS38 are not met).

In 2022, EVS has however identified 2 major developments that do meet the IAS38 criteria. These developments are very distinct and will allow EVS to broaden its addressable market. Based on the following criteria, IAS38 is applicable:

- Research and development phase can be distinguished,
- An intangible asset is created following the development,
- Future economic benefit is demonstrated (return on investment analysis is done),
- Reliable cost tracking is present.

Consequently, the related costs have been recognized as intangible assets with depreciation over a period of 5 years starting from the end of the development phase.

2.26. Income taxes

Income taxes for the period include both current and deferred taxes. They are recognized in the income statement except where they relate to items recognized directly in equity.

EVS benefits from the following tax incentives related to innovation and research & development:

- Innovation income deduction
- Deduction for investments in R&D
- Exemption from withholding tax for R&D employees

Innovation income deduction and deduction for investments in R&D are deducted from the taxable base of EVS in Belgium and consequently reduce the corporate tax paid by the Company. Exemption from withholding tax for R&D employees represents a payment exemption of part of the withholding tax paid on salaries, which results in a reduction of the R&D payroll costs incurred by the Company.

2.26.1. Current taxes

Taxes due for the period are calculated on the income statement of the group’s companies and are calculated according to the rules laid down by the local tax authorities.

2.26.2. Deferred taxes

Deferred tax assets and liabilities are determined, using the liability method, for all temporary differences on the reporting date between the tax base of the assets and liabilities and their carrying amount on the balance sheet.

Deferred tax liabilities are recognized for all temporary differences:

- except when the deferred tax liability arises from the initial recognition of a goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and that, on the transaction date, does not affect either the accounting profit or the taxable profit or loss; and

- for the taxable temporary differences linked to interest in subsidiaries, in associates and in joint ventures, except if the date on which the temporary difference is inversed can be checked and it is probable that the temporary difference will not be inversed in the foreseeable future. Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the tax assets and liabilities due and if these deferred taxes concern the same taxable entity and the same tax authority.

2.27. Derivative financial instruments

EVS uses derivative financial instruments such as forward exchange rate contracts, options, or interest rate swaps to hedge its risks of foreign currency fluctuations on its foreign currency transactions and its risks of interest rate fluctuations. Derivative financial instruments that are either hedging instruments that are not designated or do not qualify as hedges are carried at fair value with changes in value included in the income statement.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of the interest rate swaps is subject to a valuation by the counterparty. The method of determining the fair value of these instruments is therefore of "level 2" type according to IFRS 13 "Evaluation of fair value".

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.28. Dividends

The dividends proposed by the Board of Directors are not recognized in the financial statements if they have not been approved by the shareholders during the Ordinary Annual General Meeting. In case of interim dividends, they are deducted from the reserves.

The dividends that are received from subsidiaries are recognized when the Group has a right to receive that payment.

2.29. Commitments relating to technical guarantee in respect of sales or services already provided

EVS grants a 2-year technical guarantee on products sold subject to the general conditions of sale. The Company has recorded a provision on the balance sheet to cover the probable costs relating to these technical guarantees.

2.30. Earnings per share

The group calculates both the basic earnings per share and the diluted earnings per share in accordance with IAS 33. The basic earnings per share are calculated based on the weighted average number of ordinary shares in circulation during the period. The diluted earnings per share are calculated based on the average number of ordinary shares in circulation during the period plus the potential dilutive effect of the warrants and stock options in circulation during the period.

3. SEGMENT INFORMATION

3.1. General information

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

By consequence, the company is composed of one segment according to the IFRS 8 definition, and the consolidated income statement of the Group reflects this unique segment. All long-term assets are 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.

3.2. Additional information

3.2.1. 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-sales service are included in the complete solution proposed to the customers.

Revenue (EUR thousands)	**2023**	**2022**	**% 2023/2022**
Live Audience Business	90,050	71,439	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%**

3.2.2. Information on revenue by geographical area

Activities are divided into three regions: Asia-Pacific ("APAC"), Europe, Middle East and Africa ("EMEA"), and "Americas". Aside from them, we make separate distinction for the category "Big Event Rentals" which is not attributed to specific region.

Revenue (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event Rentals	TOTAL
2023 revenue	**30,260**	**86,721**	**56,347**	**-0,137**	**173,191**
Evolution versus 2022 (%)	59.7%	28.0%	9.2%	-100.0%	16.9%
Variation versus 2022 (%) at constant currency	59.7%	28.0%	3.6%	-100.0%	15.0%
2022 revenue	**18,952**	**67,764**	**51,592**	**9,850**	**148,158**

Revenue realized in Belgium (the country of origin of the company) with external customers represents 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).

3.2.3. Information on revenue by nature

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

Revenue (EUR thousands)	2023	2022	% 2023/2022
Sale of equipment	149,795	118,015	26.9%
Other services	23,396	30,143	-22.4%
Total Revenue	**173,191**	**148,158**	**16.9%**

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

The decline in other services is a consequence of the absence of Big Event Rental revenue in 2023.

3.2.4. 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).

3.2.5. Maturity analysis of the order book

We start the year 2024 with the highest order book in the history of EVS at EUR 153.2 million, breaking a new record (+11.3% YoY), of which:

- EUR 93.0 million to be recognized in revenue in 2024 (+8.3% YoY and excl Big Event Rentals)
- EUR 7.4 million to be recognized in revenue in 2024 for Big Events Rental (compared to EUR 0.0 million at the end of 2022)
- EUR 52.8 million to be recognized in revenue in 2025 and beyond (+1.9% YoY)

4. CONSOLIDATED COMPANIES, JOINT VENTURES, ASSOCIATES AND REPRESENTATIVE OFFICES

NAME AND ADDRESS	Year of foundation or acquisition	Staff as of 31.12.23	Incorporation method used (1)	Part of capital held as of 31.12.23 (in %) (2)	Part of capital held as of 31.12.22 (in %) (2)	Change in % of capital held
EVS Broadcast Equipment Inc. 700 US 46 East Fllor 3 NJ 07004 Fairfield, USA	1996	37	F	100.00	100.00	0.00
EVS Broadcast México, SA de CV World Trade Center, Cd. De México, Montecito N° 38, Piso 23, Oficina 38, Col. Nápoles, Delegación Benito Juárez, D.F. 03810 México, MEXIQUE RFC: EBM 1106152TA	2011	4	F	100.00	100.00	0.00
EVS France SAS 6 rue Brindejonc des Moulinais Bât. A, F-31500 Toulouse Cedex 5, FRANCE TVA: FR-83449601749	2010	38	F	100.00	100.00	0.00
EVS Italia S.R.L. Via Milano 2, IT-25126 Brescia, ITALIE TVA: IT-03482350174	1998	3	F	100.00	100.00	0.00

EVS Broadcast Equipment Iberica SL Avda de Europa 12-2C, Edificio Monaco, Parque Empresarial la Moraleja 28109 Alcobendas, Madrid, ESPAGNE CIF: B85200236	2007	4	F	100.00	100.00	0.00
EVS Nederland BV Parnassungsweg 819 1082 LZ Amsterdam PAYS-BAS	2008	1	F	100.00	100.00	0.00
EVS International (Swiss) SARL Rue des Arsenaux 9, 1700 Fribourg, SUISSE TVA: CH-21735425482	2009	0	F	100.00	100.00	0.00
EVS Broadcast Equipment Ltd. Room A, @Convoy, 35/F 169 Electric Road, North Point, HONG-KONG	2002	12	F	100.00	100.00	0.00
EVS Broadcast Equipment Singapore PTE. Ltd. Level 8-9, The Metropolis Tower 2 11 North Buona Vista Drive 138589 SINGAPORE	2015	4	F	100.00	100.00	0.00
EVS Australia Pty Ltd. Level 8, 261 George Street Sydney NSW 2000, AUSTRALIE	2007	4	F	100.00	100.00	0.00
EVS Deutschland GmbH Hilpertstrasse 27, 64295 Darmstadt, ALLEMAGNE VAT: DE-289 460 223	2013	14	F	100.00	100.00	0.00
EVS Pékin - Bureau de Représentation 2805 Building One, Wanda Plaza, N°93 Jianguo Road 100026 Beijing, CHINE	2005	9	F	N/A	N/A	N/A
EVS Broadcast Equipment Middle East Ltd – Representative office Shatha Tower, Office 09, 32nd Floor, Dubai Media City, Dubaï, EMIRATS ARABES UNIS	2006	6	F	N/A	N/A	N/A
EVS Americas Los Angeles – Representative office 101 South First Street, Suite #404 Burbank, CA 91504, USA	2006	9	F	N/A	N/A	N/A
EVS Broadcast UK LTD Registered address: C/O Tmf Group 13th Floor, One Angel Court, London, EC2R 7HJ, UNITED KINGDOM Business address: Part of Ground Floor, Building B, Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GA	1998	27	F	100.00	100.00	0.00
EVS Netherlands BV Hercules 28, 5126RK Gilze, NETHERLANDS NL802646748B01	1994	57	F	100.00	100.00	0.00
MECALEC SMD SA Rue Nicolas Fossoul 54, B-4100 Seraing, BELGIQUE N° d'entreprise: BE0467 121 712	1999	28	E	49.50	49.50	0.00

(1) F: Full Consolidation, E: Equity method.
(2) Proportion of capital of those companies held by the companies included in the consolidated accounts and persons acting in their own name on behalf of these companies.

5. INVESTMENT IN JOINT-VENTURES AND ASSOCIATES

(EUR thousands)	2023	2022
Investment in associates		
Opening balance as at January 1	**1,922**	**1,920**
- Disposals during the year	-	**-**
- Acquisitions during the year	-	**-**
- Results	185	**313**
- Dividends received and others	-168	**-311**
Closing balance as at December 31	**1,938**	**1,922**

5.1. Investments in associates

5.1.1. MECALEC SMD SA

MECALEC SMD SA was founded on October 21, 1999, by SA MECALEC (50.5%, not directly or indirectly linked to EVS) and EVS (49.5%). Its subscribed capital is EUR 200,000 with EVS share amounting to EUR 99,000. MECALEC SMD's main activity is the manufacturing and assembly of electronic boards using SMD technology. The registered office is based in Boncelles, close to Liège (Belgium), 5 km from EVS headquarter. EVS acquired this interest to benefit from shorter delivery times on orders for the assembly of electronic boards, and for potential synergies in R&D and reworking of the production process. The net profit of MECALEC SMD in 2023 amounted to EUR 0.4 million. EVS represented 20,4% of MECALEC SMD's turnover in 2023.

The share of EVS in the 2023 results of MECALEC SMD amounts to EUR 185,000 and the share of EVS in MECALEC SMD equity amounts to EUR 1,936,000.

(EUR thousands)	Dec. 31, 2023	Dec. 31, 2022
Current assets	3,467	3,531
Non-current assets	914	892
Current liabilities	-465	-540
Non-current liabilities	-	-
Net assets	**3,916**	**3,883**
Share of associate's balance sheet (49.5%)	**1,938**	**1,922**
Turnover	3,056	3,765
Net result	373	633
Share of associate's net result (49.5%)	**185**	**313**
Dividends received	**-64**	**-64**
Other (1)	**-104**	**-247**
Carrying amount of investment	**1,938**	**1,922**

(1) Adjustment for final MECALEC 2022 financial statements received after publication

6. INCOME AND EXPENSES

6.1. Gross margin

(EUR thousands)	2023	2022
Revenue	173,191	148,158
Cost of sales	-52,548	-49,314
Gross profit	**120,643**	**98,844**
Gross margin %	**69.7%**	**66.7%**

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

6.2. Research and development expenses

Research and development expenses amounted to EUR 31.8 million in 2023 versus EUR 26.3 million in 2022.

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.

Other research and development costs remain in our operational spend, as IAS38 does not specifically apply for these developments.

The detail of the total R&D spend is as follows:

(EUR thousands)	**2023**	**2022**
Gross R&D expenses	38,695	35,854
R&D capitalized as intangible assets	-4,177	-7,080
Depreciation of intangible assets	563	-
Benefits relating to R&D expenses	-3,245	-2,507
R&D expenses, net	**31,836**	**26,267**

Since 2010, EVS considers a withholding tax exemption provided by the Belgian government to companies paying or allocating compensation to individual researchers who are engaged in collaborative R&D programs according to some criteria defined under section 273 of the Code of income tax in Belgium. In the presentation of the accounts, this amount comes as a deduction of R&D expenses.

Since 2015, EVS also benefits from tax credits relating to R&D in France. This amount also comes in deduction of the R&D expenses. In 2023, it amounted to EUR 0.3 million (EUR 0.4 million in 2022).

Starting from 2021, Axon NL benefits from tax credits relating to R&D in The Netherlands. This amount also comes in deduction of the R&D expenses. In 2023, it amounted to EUR 0.4 million (EUR 0.4 million in 2022).

6.3. Complementary information about operating charges by nature

(EUR thousands)	**2023**	**2022**
Raw materials and consumables used	-29,351	-25,461
Increase (+) / decrease (-) in stocks of finished goods, work and contracts in progress	1,627	1,154
Personnel expenses	-64,183	-53,457
Depreciations	-8,061	-6,686
Increase (-) / decrease (+) in amounts written off on stocks	-0,100	-2,867
Increase (-) / decrease (+) in amounts written off on trade debtors	254	-224
Other Professional Fees	-12,095	-7,371
Marketing & Communication	-2,264	-1,943
Other (1)	-16,778	-18,541
Total cost of sales, selling, administrative and research and development expenses	**-130,951**	**-115,396**

(1) Includes various other operational expenses such as maintenance, utilities, small equipment, transportation costs and T&E

Increase in personnel expenses is mainly driven by salary indexation coupled with higher average FTE in the period and higher performance-related bonuses.

6.4. Post-employment benefit

Since April 1, 2002, EVS has implemented a defined contribution pension plan in accordance with the sectoral pension plan regulations for employees in the metallic manufacturing sector ("commission paritaire 209"). It foresees the payment of an annual premium equal to a percentage of the gross salary (submitted to the national office of social security) for each employee. This premium is exclusively paid by the employer. The premium rate is set by the sector's collective agreements. Premiums have evolved as follows:

In %	Contribution rate
2008 to 2010	1.10%
2011	1.77%
2012	1.87%
2013 to 2019	1.97%
2020	2.29%
2021	2.29%
2022	2.29%
2023	2.29%

The plan is managed by “Monument” (previously “Integrale”). The financing policy is outlined in its annual report.

In addition, since, January 1, 2012, employees of EVS in Belgium are automatically affiliated to a second pension plan subscribed with AG Insurance. EVS contributes to this plan (including management fee, life insurance, disability, and risk waiver insurance premiums) at a rate of 3% of gross annual salary.

Until 2015 included, both pension plans were treated as defined contribution plans, and the contributions to these pension schemes were recognized as an expense in the income statement as incurred.

However, on December 18, 2015, the Belgian legislation has been updated and clarification was provided on the minimum guaranteed rate of return. Before December 31, 2015, the minimum guaranteed rate of return on employer and participant contributions were 3.25% and 3.75% respectively. From 2016 onwards, the rate decreased to 1.75% and is annually recalculated based on a risk-free rate of 10-year government bonds. According to IAS19, Belgian-defined contribution plans that guarantee a specified return on contributions should be assimilated to defined benefit plans, as the employer is not only responsible for the contribution payments but also must cover the investment risk until the legal minimum rates applicable. The returns guaranteed by the insurance companies are in most cases lower than or equal to the minimum return guaranteed by law. As a result, the Group has not fully hedged its return risk through an insurance contract and a provision needs to be accounted for. The plans at EVS are financed through group insurance contracts. The contracts benefit from a contractual interest rate granted by the insurance company. When there is underfunding, it is covered by the financing fund and, in case insufficient, additional employer contribution is requested.

IAS 19 requires an entity to recognize liability when an employee has provided service in exchange for employee benefits to be paid in the future. Therefore, pension provisions are set up. Obligations are measured on a discounted basis because they are settled several years after the employees render the related service. A qualified actuary has determined the present value of the defined benefit obligations and the fair value of the plan assets except for the multi-employer plan. These assets are held by an insurance company. The projected unit credit method was used to measure the obligations and costs. Assumptions were included on demographic and financial variables. The result of this calculation has then been extrapolated to the multi-employer plan based on the contributions paid.

Changes booked in 2023 in the Belgian defined benefit obligation and fair value of plan assets were as follows:

	2023			2022		
In thousands of EUR	Defined benefit obligation	Fair value of plan assets	**Net defined benefit liability**	Defined benefit obligation	Fair value of plan assets	**Net defined benefit liability**
As of January 1	**10,203**	**-10,089**	**114**	**10,587**	**-8,762**	**1,825**
Service cost	762	-	762	1,156	-	1,156
Administrative costs		28	28		28	28
Net interest expenses	383	-401	-18	120	-106	14
Sub-total included in profit or loss	**1,145**	**-373**	**772**	1,276	-78	1,198
Benefits paid	-196	196	-	-179	179	-
Actuarial changes (assumptions) of which:						
Arising from changes in demographic assumptions	-	-	235	235	-	235
Arising from changes in financial assumptions	-	-	-1,349	-1,349	-	-1,349
Arising from experience adjustments	334	170	504	-367	-350	-717
Sub-total included in OCI	**334**	**170**	**504**	**-1,481**	**-350**	**-1,831**
Contributions by employer	-	-1,251	-1,251	-	-1,078	-1,078
As of December 31	**11,486**	**-11,347**	**139**	**10,203**	**-10,089**	**114**

The fair value of plan assets is allocated to the following categories of assets: sovereign bonds & assimilated (51%), corporate bonds (33%), real estate (9%), shares (5%) and cash (2%).

The principal assumptions used in determining pension obligations for the Group's plans are shown below:

In %	**2023**	**2022**
Discount rate	3.35%	3.80%
Future salary increases (incl. consumer price increases)	2.40%	2.40%

The following overview summarizes the sensitivity analysis performed for significant assumptions at December 31st. The figures show the impact on the defined benefit obligation.

(EUR thousands)	**2023**	**2022**
Discount rate		
0.25% decrease	-	2,242
0.25% increase	-	-1,627
Future salary evolution		
0.25% decrease	-	-616
0.25% increase	-	650

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in one key assumption occurring at the end of the reporting period, keeping all other assumptions constant. These may not be representative for an actual change in the defined benefit obligation, as it is unlikely that changes in assumptions would occur in isolation of one another.

In 2023 the changes in discount rate and future salary evolution do not impact the defined benefit obligation. Regarding discount rate, the defined benefit obligation is based on either the minimum guarantee provided by the insurance company, or the mathematical reserves on members' contracts, considering that the minimum guarantee projected at retirement age taking into account the probabilities of death and turnover is lower for all plans. Regarding future salary evolution, the method used to determine the defined benefit obligation is the Projected Unit Credit without future premiums, which is therefore not impacted by changes in salary increase assumptions.

The expected contributions to the plan for the next annual reporting period amount to EUR 1,322 thousand (EUR 1,197 thousand in 2022). The average duration of the defined benefit plan obligation is 17 years (18 years in 2022).

The following payments are the expected benefit payments from the plan assets for the upcoming ten years:

(EUR thousand)	**2023**	**2022**
Within the next 12 months	54	94
Between 2 and 5 years	513	194
Between 5 and 10 years	2,199	2,148
Total expected payments	**2,766**	**2,436**

No other post-employment benefit is provided to the personnel.

6.5. Financial revenues/(costs)

(EUR thousand)	**2023**	**2022**
Interest income on deposit	230	106
Interest charges	-920	-912
Exchange result	-966	1,393
Other financial results	985	400
Net Financial revenues / (costs)	**-672**	**987**

To limit its exposure to the US dollar, EVS Group has an active policy to cover the foreign exchange risk, as explained in notes 26 and 27.

The functional currency of EVS Broadcast Equipment S.A. as well as all the subsidiaries is the euro, except for the American EVS Inc. subsidiary, whose functional currency is the US dollar. The presentation currency of the consolidated financial statements of EVS Group is the euro.

The net exchange result is mainly explained by the depreciation of the USD compared to EUR in the period (see also note 2.8.3 Exchange rates used)

Interest charges mainly relate to interest expense on building and vehicle leases as well as interest on the loan put in place in 2020 to partially finance the acquisition of Axon.

Other financial results mainly represent interest income on financial leases provided to customers, interest revenue on short-term investments and fair value of open foreign exchange contracts.

6.6. Other income and expenses

Other expenses mainly represent losses on trade debtors amounting to EUR 0.4 million (EUR 0.4 million in 2022).

7. INCOME TAXES

7.1. Tax charge on results

The tax charge for 2023 and 2022 is mainly made of:

(EUR thousands)	2023	2022
Current tax charge		
Effective tax charge	-4,355	-1,525
Adjustments of current tax related to prior years	295	956
Deferred taxes		
Tax effects of temporary differences	**455**	**-853**
- Fixed assets depreciation	-243	-253
- Intangibles (R&D investment deductions) *	1,027	-185
- Other intangibles	-25	217
- Adjustments for IFRS 16	14	52
- Adjustments for IAS 19	-120	22
- Adjustments for the carry-over taxation for gains on building disposals	75	105
- Adjustments for IFRS 9	-25	-28
- Reported tax losses	-1,763	-936
- Provisions	-	-
- Reversal statutory gain on intangible transfer within the group	1,114	-
- Others	401	153
Income taxes included in the income statement	**-3,605**	**-1,422**

* see also note 6.2 for deductions relating to R&D investments.

Income tax expenses amount 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 (especially in Belgium) 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.

7.2. Reconciliation of the tax charge:

The effective tax charge of the Group obtained by applying the effective tax rate to the pre-tax profit of the Group, has been reconciled for 2022 and 2023 with the theoretical tax charge obtained by applying the theoretical tax rate:

(EUR thousands)	2023	2022
Reconciliation between the effective tax rate and the theoretical tax rate		
Profit before taxes and share in the result of the enterprise accounted for using the equity method	40,469	32,701
Effective tax charge based on the effective tax rate	-3,605	-1,422
Effective tax rate	**8.91%**	**4.35%**
Reconciliation items for the theoretical tax charge		
Tax effect due to the carry-over taxation for gains on buildings disposals in the statutory accounts		
Tax effect on R&D investment deductions	-1,261	-959
Tax effect of non-deductible expenditures	132	170
Tax effect due to the usage of tax losses (incl. subsidiaries)	-1,071	-914
Tax effect on innovation deduction	-5,243	-4,114
Tax effect on innovation deduction (catch-up from previous years)		
Tax effect of previous years adjustments (incl. subsidiaries)	-295	-956
Others	24	160
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-11,319	-8,035
Theoretical tax rate	**28.0%**	**24.6%**

The tax charge for FY2022 included an adjustment of the previous year tax provision that was booked worth EUR 0.6 million in the Belgian parent company.

Theoretical tax charge computed on the basis of the respective local nominal rates increased mainly due to the significant increase of the profit before tax for most of the subsidiaries.

The amendments to IAS 12 International Tax Reform – Pillar Two Model Rules had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its revenue is less that EUR 750 million per year.

7.3. Deferred taxes on the balance sheet

The sources of deferred taxes are as follows:

(EUR thousands)	December 31, 2023		December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Buildings depreciation		2,322		2,075
R&D intangibles	5,329		4,301	
Other intangible assets	146			942
Leases (IFRS 16)	158	11	144	10
Defined benefit plan provision	13		6	
Accounts receivable impairment	57		78	
Carry-over taxation for gains		575		649
Recoverable tax loss	1,865		3,627	
Other tangible assets		12	132	
Corrections on inventory	544			
Total	**8,112**	**2,920**	**8,288**	**3,676**
Net booked value	**5,203**	**11**	**4,622**	**10**

Deferred taxes are booked "net" in accordance with the valuation rules of the Group because they relate to income taxes levied by the same taxation authority and the authority allows the compensation. No valuation allowance is recorded in relation to tax losses carried forward since it is probable that taxable profit will be available in the near future against which the tax assets can be utilized.

The increase in deferred tax assets linked to R&D intangibles is driven by an increase in the R&D expenses capitalized during the FY 2023 (23.6 million in 2023 vs 16.6 million in 2022) and depreciated over 3 years from a tax point of view.

The decrease in the recoverable tax loss is explained mainly by the consumption of recoverable tax latencies due to a taxable profit in 2023 for all Group entities.

8. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the net profit and loss of the period attributable to the ordinary shares, less the treasury shares, by the weighted average number of ordinary shares in circulation during the year.

The diluted earnings per share are calculated by dividing the net result of the period attributable to the ordinary shareholders by the weighted average number of ordinary shares in circulation at the rate of the period, adjusted by the diluting effects of the share options (warrants).

(EUR thousands)	2023	2022
Net profit	36,946	31,344
- attributable to non-controlling interests	-	-
- attributable to equity holders of the parent company	**36,946**	**31,344**

	2023	2022
Weighted average number of issued shares, excluding treasury shares	13,427,915	13,411,972
Dilution effect of the weighted average number of the share options in circulation	522,836	269,112
Weighted average number of fully diluted number of shares	**13,950,751**	**13,681,084**
Basic earnings per share (EUR)	**2.75**	**2.34**
Diluted earnings per share (EUR)	**2.65**	**2.29**

The diluted earnings per share does include (a) 187,000 warrants attributed in October 2020, of which 146,750 are outstanding (154,250 in December 2022) with an exercise price below the share price and with maturity in October 2026, (b) 158,600 warrants attributed in June 2021, of which 152,600 are outstanding (155,350 in December 2022) with an exercise price below the share price and with maturity in June 2027, (c) 183,375 warrants attributed in September 2022, of which 182,625 are outstanding (183,375 in December 2022) with an exercise price below the share price and with maturity in September 2028, and (d) 198,900 warrants attributed in October 2023, all outstanding and with an exercise price below the share price and with a maturity in October 2029.

9. DIVIDENDS PAID AND PROPOSED

Dividends are paid for issued shares less treasury shares at the payment date.

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 amount)	Coupon #	Declaration date	2023	2022
Paid during the year:				
- 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:

In EUR 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**

10. GOODWILL

(EUR thousands)	CGUs			TOTAL
	OpenCube	SVS	Axon	
Acquisition cost				
As of December 31, 2022	**820**	**1,125**	**2,832**	**4,777**
- Acquisitions	-	-	-	-
- Sales and disposals	-	-	-	-
As of December 31, 2023	**820**	**1,125**	**2,832**	**4,777**
Accumulated impairment				
As of December 31, 2022	**820**	**1,125**	**-**	**1.945**
- Impairment	-	-	-	-
- Sales and disposals	-	-	-	-
As of December 31, 2023	**820**	**1,125**	**-**	**1,945**
Net carrying amount				
As of December 31, 2022	**-**	**-**	**2,832**	**2,832**
As of December 31, 2023	**-**	**-**	**2,832**	**2,832**

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests over the net identifiable assets acquired and liabilities assumed. Goodwill is not amortized but is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The value in use of the Cash Generating Unit (CGU) is calculated from the present value of the cash flows included in the business plan of Axon, in accordance with IAS 36.

10.1. Axon Group

By the end of 2023, management conducted an impairment test exercise on Axon Group as a CGU. The recoverable amount (value in use) of Axon Group CGU was calculated by using following key assumptions:

- Cash flow projections (discounted cash flow method) based on financial budget approved by the directors covering a five-year period.
- 10% annual growth in revenue (only for the first five-year period), supported by the recent actual revenue increases since the takeover, as well as expected continued integration of Axon product portfolio into EVS offerings in future years.
- Stable cost of goods sold (COGS) percentage, in line with historical data and kept conservatively flat over the projected period.
- Discount rate of 14.0% (Weighted Average Cost of Capital), corresponding to pre-tax discount rate of 16.9% derived from the post-tax weighted average cost of capital via an iterative method.
- Perpetual cash-flows for the period beyond the forecast period (five years).
- No growth for the terminal value.

The result of the calculations confirmed that no impairment needs to be booked at 2023 year-end. The amount by which the unit's recoverable amount exceeds the carrying amount is EUR 62 million.

The calculation of the value in use of Axon Group CGU is sensitive to (a) revenue and (b) discount rate. In this context, management conducted sensitivity test by increasing and decreasing the sensitive factors by +/-20%. The outcome of the sensitivity analysis does not influence the conclusion that no impairment needs to be booked at 2023 year-end.

11. OTHER INTANGIBLE ASSETS

(EUR thousands)	Technology (DWESAB, OpenCube and Axon)	Customer related	Software licenses	TOTAL
Acquisition cost				
As of December 31, 2021	**5,070**	**5,119**	**3,389**	**13,578**
- Intangible assets in progress	-	7,824	448	8,272
As of December 31, 2022	**5,070**	**12,943**	**3,837**	**21,850**
Accumulated amortization				
As of December 31, 2021	**-3,174**	**-1,219**	**-3,072**	**-7,465**
- Amortization	-356	-731	-83	-1,170
As of December 31, 2022	**-3,530**	**-1,950**	**-3,155**	**-8,635**
Net carrying amount				
As of December 31, 2021	**1,896**	**3,900**	**317**	**6,113**
As of December 31, 2022	**1,540**	**10,993**	**682**	**13,215**

(EUR thousands)	Technology (DWESAB, OpenCube and Axon)	Customer related	Software licenses	TOTAL
Acquisition cost				
As of December 31, 2022	**5,070**	**12,943**	**3,837**	**21,850**
- Intangible assets in progress	-	4,148	377	4,525
As of December 31, 2023	**5,070**	**17,091**	**4,214**	**26,375**
Accumulated amortization				
As of December 31, 2022	**-3,530**	**-1,950**	**-3,155**	**-8,635**
- Amortization	-356	-1,294	-70	-1,720
As of December 31, 2023	**-3,886**	**-3,244**	**-3,225**	**-10,355**
Net carrying amount				
As of December 31, 2022	**1,540**	**10,993**	**682**	**13,215**
As of December 31, 2023	**1,184**	**13,847**	**989**	**16,020**

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 to ensure the future economic benefit remains assured.

12. TANGIBLE ASSETS (LANDS AND BUILDINGS, AND OTHER TANGIBLE ASSETS)

(EUR thousands)	Land and buildings	Plant, machinery and equipment	Other tangible assets	Assets under construction	TOTAL
Acquisition cost					
As of December 31, 2021	**63,383**	**7,978**	**18,347**	**749**	**90,457**
- Acquisition	856	1,064	1,437	494	3,851
- Sales and disposals	-	-523	-22	-	-545
- Transfers	-79	-63	142	-	-
- Other	-137	211	-16	-	58
As of December 31, 2022	**64,023**	**8,667**	**19,888**	**1,243**	**93,821**
Accumulated depreciation					
As of December 31, 2021	**-11,459**	**-5,985**	**-16,033**	**-**	**-33,477**
- Depreciations	-3,409	-935	-1,227	-	-5,571
- Sales and disposals	-	523	-	-	523
- Other	145	-209	2	-	-62
As of December 31, 2022	**-14,723**	**-6,606**	**-17,258**	**-**	**-38,587**
Net carrying amount					
As of December 31, 2021	**51,924**	**1,993**	**2,314**	**749**	**56,980**
As of December 31, 2022	**(a) 49,300**	**(b) 2,061**	**(b) 2,630**	**(a) 1,243**	**55,234**
				(a) Sub-total Lands & Buildings	***50,543***
				(b) Sub-total Other Tangible Assets	***4,691***
Mortgages and other guarantees					
Net carrying amount of fixed assets given as real guarantees	**39,955**	**-**	**-**	**-**	**39,955**

(EUR thousands)	Land and buildings	Plant, machinery and equipment	Other tangible assets	Assets under construction	TOTAL
Acquisition cost					
As of December 31, 2022	**64,023**	**8,667**	**19,888**	**1,243**	**93,821**
- Acquisition	370	2,851	2,899	90	6,210
- Sales and disposals	-	-1,364	-	-	-1,364
- Transfers	-12	14	-	-20	-18
- Other	-108	-94	-14	-	-216
As of December 31, 2023	**64,273**	**10,074**	**22,773**	**1,313**	**98,433**
Accumulated depreciation					
As of December 31, 2022	**-14,723**	**-6,606**	**-17,258**	**-**	**-38,587**
- Depreciations	-3,357	-1,608	-1,357	-	-6,322
- Sales and disposals	-	1,327	-	-	1,327
- Other	128	90	4	-	222
As of December 31, 2023	**-17,952**	**-6,797**	**-18,611**	**-**	**-43,360**
Net carrying amount					
As of December 31, 2022	**49,300**	**2,061**	**2,630**	**1,243**	**55,234**
As of December 31, 2023	**(a) 46,321**	**(b) 3,277**	**(b) 4,162**	**(a) 1,313**	**55,073**
				(a) Sub-total Lands & Buildings	***47,634***
				(b) Sub-total Other Tangible Assets	***7,439***
Mortgages and other guarantees					
Net carrying amount of fixed assets given as real guarantees	**38,343**	**-**	**-**	**-**	**38,343**

The acquisition value of the building was analyzed by component, with specific useful lives and residual values applied to each component. Depreciation by component is provided for lifetimes ranging between 3 and 30 years with a total residual value for the building of about 36% of the gross value excluding subsidies.

Production of the equipment manufactured and marketed by EVS does not require important tangible investment, considering the assembly is partially subcontracted, notably to MECALEC SMD SA. Whenever possible, specialized work is outsourced (i.e., sheet metalwork and manufacturing of integrated circuits).

The group policy is to finance its buildings through equity and through long term loans (see also note 19).

Tangible assets remain stable with the acquisitions of the period (mainly IT equipment and vehicles) being offset by the depreciation of the period.

The carrying amounts of right-of-use assets, lease liabilities and the movements for the twelve months ended 31 December 2023 and 31 December 2022 is as follows:

(EUR thousands)	Land and buildings	Plant, machinery and equipment	Other tangible assets	Total	Lease liabilities
As of December 31, 2021	**10,740**	**-**	**2,291**	**13,031**	**13,408**
Additions	1,666	-	1,084	**2,750**	2,802
Disposals	-1,278	-	-22	**-1,300**	-1,300
Depreciation expenses	-1,667	-	-1,182	**-2,849**	-
Interest expenses	-	-	-	**-**	569
Conversion differences & Other	193	-	-	**193**	416
Payments	-	-	-	**-**	-3,397
As of December 31, 2022	**9,654**	**-**	**2,171**	**11,825**	**12,498**

(EUR thousands)	Land and buildings	Plant, machinery and equipment	Other tangible assets	Total	Lease liabilities
As of December 31, 2022	**9,654**	**-**	**2,171**	**11,825**	**12,498**
Additions	400	-	2,873	**3,273**	3,310
Disposals	-	-	-	**-**	-
Depreciation expenses	-1,831	-	-1,247	**-3,078**	-
Interest expenses	-	-	-	**-**	535
Conversion differences & Other	-81	-	-	**-81**	-89
Payments	-	-	-	**-**	-3,589
As of December 31, 2023	**8,142**	**-**	**3,797**	**11,939**	**12,665**

13. LONG TERM FINANCIAL ASSETS

(EUR thousands)	Subordinated loans	Other financial assets	TOTAL
Net carrying amount as of Dec. 31, 2021	**-**	**404**	**404**
- Refunded/converted during the year	-	-17	-17
- Acquired during the year	-	119	119
- Others	-	6	6
Net carrying amount on Dec. 31, 2022	**-**	**512**	**512**
Net carrying amount as of Dec. 31, 2022	**-**	**512**	**512**
- Refunded/converted during the year	-	-19	-19
- Acquired during the year	-	7	7
- Others	-	-5	-5
Net carrying amount on Dec. 31, 2023	**-**	**495**	**495**

The other financial assets mainly consist of cash guarantees and are accounted for at fair value through the profit and loss statement.

14. INVENTORIES

(EUR thousands)	December 31, 2023	December 31, 2022
Raw materials	24,161	23,275
Finished goods	34,569	32,422
Goods purchased for resale	5,268	3,941
Total at cost	**63,998**	**59,638**
Cumulated amounts written off at the beginning of the period	**-30,852**	**-27,797**
Additions/Reversal/use of the amounts written off, net	-69	-2,807
Exchange rate difference	-76	-248
Cumulated amounts written off at the end of the period	**-30,997**	**-30,852**
Total net carrying amount	**33,001**	**28,786**

The increase of inventories during 2023 is primarily explained by the increase in the topline performance. EVS continues the pro-active management of components to ensure a limited impact of our inventory on the working capital needs. A careful balance is made to ensure customer delivery terms remain respected and to ensure the best possible component prices. EVS started preparing, towards the end of 2023, the BIG Events coming in 2024, impacting the inventory temporarily at year-end.

Inventories recognized as an expense during the period amounted to EUR 27.0 million (EUR 24.1 million in 2022). These were included in the cost of sales.

Write-off movements on inventories, which amount to EUR 0.1 million in 2023 (EUR 2.8 million in 2022), are accounted for as charges in the costs of sales. These write-offs concern technologically obsolete stock items, a range of products classified as end of life at the end of 2023.

15. TRADE AND OTHER RECEIVABLES

(EUR thousands)	December 31, 2023	December 31, 2022
Trade receivables	70,032	61,920
Write offs on receivables	-2,789	-3,064
- of which ECL	*-816*	*-674*
- of which other provisions	*-1,973*	*-2,390*
Net trade receivables	**67,243**	**58,856**
Finance lease receivables	3,275	2,799
Deferred charges and accrued income	6,947	6,371
Other amounts receivable	4,900	5,195
Total other receivable, deferred charges and accrued income	**15,122**	**14,365**
Total	**82,365**	**73,221**

Trade receivables are non-interest bearing and are generally on 30-day terms. According to the group terms and conditions, the unpaid invoices at their term could result in a 1.50% monthly interest rate.

Trade receivables evolve largely in line with our overall sales volumes. The increase is partially offset by a normalization of the delayed invoice issuance situation at the end of 2022 that followed the implementation of our new ERP. The majority of our trade receivables (i.e. 57%) is not due at year-end.

Allowances for doubtful accounts are calculated on an individual basis, based on an aging analysis of the trade debtors. For the determination of the expected credit loss, EVS has applied the simplified approach and records lifetime expected losses on all trade receivables. This amount is determined on a portfolio basis, based on a provision matrix that considers historical credit loss experience. These allowances are booked in the "Selling and Administrative expense" line.

As of December 31, 2023, an amount of EUR 20.6 million (EUR 10.4 million on December 31, 2022) within trade receivables was overdue with more than 90 days from which EUR 2.8 million are subject of write-downs following credit quality of trade receivables. Movements of write-offs in 2023 and 2022 are as follows:

(EUR thousands)	2023	2022
Write-offs on trade receivables		
Value as of January 1	**3,064**	**2,672**
- Write-offs during the year	1,606	1,881
- of which Expected Credit Loss	*142*	*224*
- of which other provisions	*1,464*	*1657*
- Releases of write-offs during the year	-1,881	-1,563
- Other	-	74
Value as of December 31	**2,789**	**3,064**

The provision matrix that considers historical credit loss experience for the calculation of the expected credit loss is as follows:

(EUR thousands)	Trade receivables					
Expected credit loss	**Current**	**<31 days**	**31-60 days**	**61-90 days**	**>91 days**	**Total**
Expected credit loss rate	**0.45%**	**0.83%**	**1.41%**	**2.50%**	**3.64%**	
Total gross carrying amount	44,085	4,851	730	1,823	10,431	61,920
Expected credit loss as of Dec 31 2022	**198.4**	**40.3**	**10.3**	**45.6**	**379.7**	**674**

(EUR thousands)	Trade receivables					
Expected credit loss	**Current**	**<31 days**	**31-60 days**	**61-90 days**	**>91 days**	**Total**
Expected credit loss rate	**0.40%**	**0.94%**	**1.72%**	**2.00%**	**2.59%**	
Total gross carrying amount	40,088	5,605	1,985	1,725	20,629	70,032
Expected credit loss as of Dec 31 2023	**160.4**	**52.7**	**34.1**	**34.5**	**534.3**	**816**

15.1. Finance lease receivables

(EUR thousands)	2023	2022
Finance lease receivables		
Within one year (current finance lease)	3,275	2,799
After one year but no longer than five years (non-current finance lease)	3,458	3,647
Total	**6,733**	**6,446**

(EUR thousands)	2024	2025	2026	After
Future undiscounted lease payments	3,514	1,892	1,739	0

The group enters finance leasing arrangements for some of its equipment. The term of finance leases entered is maximum four years. To cover risks related to ownership of the underlying asset, EVS requests customers to keep the equipment insured against all risks of loss or damage for the full replacement value, and to assume full responsibility for any loss or damage to the equipment during the lease period. EVS always retains title to the equipment during the lease period, unless and until acquired by the customer.

The carrying amount of the conditional purchase options of the assets leased under finance leases amounts to EUR 0.2 million (EUR 0.3 million in 2022).

The interest rate inherent in the finance leases is fixed at the contract date for all the lease term. The weighted average interest rate on finance lease receivables on December 31, 2023 is 8.0% (8.0% in 2022).

The financial revenues generated by the finance leases amount to EUR 0.3 million in the period (EUR 0.2 million in 2022) and are booked in other financial income.

15.2. Contract balances

(EUR thousands)	December 31, 2023	December 31, 2022
Contract assets	6,861	6,371
Contract liabilities	18,058	17,078

Invoiced advances and deferred income amounted to EUR 18.1 million at December 31, 2023, compared to EUR 17.1 million at the end of 2022. Liabilities related to advances received and deferred income are recorded on the balance sheet under section other amounts payable, advances received, accrued charges and deferred income. Most of the revenue included in the contract liability balance at the beginning of the period has been recognized in the current reporting period. Revenues relating to work in progress amounted to EUR 6.9 million at December 31, 2022 (EUR 6.4 million in 2022). Receivables related to work in progress are recorded on the balance sheet under other receivable, deferred charges and accrued income.

16. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets relate to options contracted to hedge commitments to staff under the Fund Option Plan proposed by ING. These options have an average maturity of one year and are valued at fair value in the income statement.

17. CASH AND CASH EQUIVALENTS

(EUR thousands)	December 31, 2023	December 31, 2022
Cash at bank and in hand	32,765	31,510
Short-term deposits and remunerated cash accounts	18,181	17,541
Total	**50,947**	**49,051**

The increase in cash and cash equivalents is mainly driven by the higher cash from operating activities of EUR 35.7 million resulting from 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). The increase in operating cash flow is 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 in the period.

Short-term deposits represent investments with an original maturity date or notice period of three months or less. At the end of 2023, short-term deposits are mainly composed of investments in bonds floating rate notes fund.

18. OWNER'S EQUITY

18.1. Movements in issued capital

The company was founded on February 17, 1994, with a capital of EUR 30,987 consisting of 1,000 shares and has developed as follows:

Date	Description	Number of shares	Capital (EUR)
17.02.1994	Constitution	1,000	30,987
25.04.1996	Incorporation of reserves	-	90,481
25.04.1996	Issuing of 100 shares at EUR 892 per share,	100	12,147
	including a share premium of EUR 771 included in capital		77,095
		1,100	**210,710**
06.06.1997	Incorporation of reserves	-	242,440
06.06.1997	Issuing of 172 shares, at EUR 4,338 per share,	172	70,855
	including a share premium of EUR 3,926		675,304
		1,272	**1,199,309**
25.09.1998	**Stock split by 2,000:1**	**2,544,000**	**1,199,309**
14.10.1998	Initial Public Offering	+ 200,000	94,284
	Incorporation of share premium		7,342,522
		2,744,000	**8,636,115**
07.09.1999	Issuance of 119,952 shares for exchange with NETIA shareholders	119,952	7,197,120
	Incorporation of reserves		166,765
		2,863,952	**16,000,000**
25.05.2003	Treasury shares cancellation	-63,952	-
		2,800,000	**16,000,000**
24.02.2004	Capital reimbursement	-	-8,137,521
15.03.2004	Issuance of 15,000 shares after the exercise of warrants	15,000	480,000
		2,815,000	**8,342,479**
09.05.2005	**Stock split by 5:1**	**14,075,000**	**8,342,479**
19.06.2006	Treasury shares cancellation	-200,000	-
12.06.2009	Treasury shares cancellation	-250,000	-
26.12.2018	Issuance of 702,024 shares	702,024	429,844
Capital on	**December 31, 2023**	**14,327,024**	**8,772,323**

18.2. Issued capital and treasury shares

As of December 31, 2023, the issued capital of EVS amounts to EUR 8,772,323 and is represented by 14,327,024 fully paid-up shares without designation of nominal value. EVS complies with the legal requirements relating to the capital (articles 7:177 to 7:229 of the Belgian Companies and Association Code).

As of December 31, 2023, 680,875 issued warrants with an average exercise price of EUR 19.82 per share are exercisable until October 2029. From time to time, the company uses a portion of the capital for staff retention and motivation through a plan of warrants.

The management estimates that the level of capital of EVS is sufficient, as shareholders' equity represents 76.0% of the total balance sheet at the end of 2023. Compared to 2022, shareholders' equity increased by EUR 15.5 million.

The EVS Group strives to maintain a strong liquidity position and not to rely excessively on external financing. In addition, the Group has a dividend distribution policy allowing its shareholders to be remunerated in a significant manner, without compromising the Group's cash position and its financial independence. In its decisions to finance or decide on the distribution of dividends, EVS considers the overall level of its shareholders' equity.

18.3. Authorized capital

Pursuant to a decision of the Extraordinary General Meeting of June 5, 2023, the Board of Directors is authorized to increase the capital on one or more occasions by a maximum amount of one million and six hundred thousand euro (1,600,000 EUR), excluding the share premium. These capital increases may be carried out by subscriptions in cash, contributions in kind, or incorporation of reserves or issue premiums, with or without the creation of shares. Within the limits of this authorization, the Board of Directors may issue bonds convertible into shares or subscription rights, in compliance with the provisions of articles 7:198 et seq. of the Companies and Associations Code. In the case of a share capital increase with share premium, such premium must be entered and maintained in one or more separate accounts under shareholders' equity on the liabilities side of the balance sheet. Similarly, in the event of an issue of subscription rights, their issue price must be entered and maintained in one or more separate accounts under shareholders' equity on the liabilities side of the balance sheet. On the occasion of any issue of shares, convertible bonds or subscription rights, the Board of Directors may limit or cancel the preferential subscription rights of the shareholders, including in favour of one or more specific persons other than staff members, in accordance with the terms and conditions to be determined by the Board of Directors and subject to compliance with the provisions of articles 7:198 et seq. of the Belgian Companies and Associations Code. This general authorization is valid for a period of five (5) years from the publication of the resolution of June 5, 2023 and is renewable. The Board of Directors shall be entitled to amend the Articles of Association to the extent required to reflect the use of the authorization granted by this article (article 7 of the articles of associations).

18.4. Staff incentive program

18.4.1. Warrants scheme

Since December 1999, the company has set up a stock options/warrants scheme for the group's employees and managers. In accordance with the fiscal legislation in force, the scheme has a minimum scope of 3 to 4 years between the granting and effective exercise of a warrant. This warrant distribution policy has been set up to gain the loyalty of the members of personnel and to allow them to participate in the results of the company. EVS hedges this program through the buy-back of its treasury shares on the stock market. The Board has the authorization from the Extraordinary General Meeting to proceed with these buybacks. In view of the 680,875 warrants outstanding at the end of 2023 (492,975 at the end of 2022), the dilution effect represents 4.8% of the share capital, this being covered by the 893,820 treasury shares, which represent 6.3% of the number of diluted shares. The voting right and the right to the dividend are suspended during such time as the shares are held by the company. The warrants are granted at an underlying share value corresponding to the average share price of the last 30 days preceding the grant. When the warrants are exercised, the Board of Directors may choose to either issue new shares or to grant treasury shares previously acquired by the company (for this reason, warrants are qualified as "sui generis").

During 2023, 198,900 warrants were distributed (183,375 in 2022), no warrants were exercised (same in 2022), and 11,000 warrants were cancelled following the departure of personnel or expired (146,832 in 2022).

The following table illustrates the number and the weighted average price of the period (WAPP) of the warrants in the scheme:

	2023		2022	
	Number	**WAPP (EUR)**	**Number**	**WAPP (EUR)**
In circulation at the beginning of the period	**492,975**	**16.95**	**456,432**	**19.89**
Granted during the period	198,900	25.85	183,375	18.62
Exercised during the period	-	-	-	-
Cancelled during the period	-11,000	15.16	-146,832	28.17
In circulation at the end of period	**680,875**	**19.58**	**492,975**	**16.95**

The warrants in circulation as of December 31, 2023, and exercisable over the next years are as follows:

Expiry date	First exercise date	Exercise prices (EUR)	Number on December 31, 2023	Number on December 31, 2022
2026	2024	13.69	146,750	154,250
2027	2025	18.21	152,600	155,350
2028	2026	18.62	182,625	183,375
2029	2027	25.85	198,900	-
Total		**Between 13.69 and 25.85**	**680,875**	**492,975**

In accordance with IFRS 2, the warrants are valued on the grant date and expensed through profit & loss over their useful life (vesting period of usually 3 years). The Black & Scholes model is used consistently for this valuation, based on the share price at grant date, exercise price, expected volatility, dividend estimates, and interest rates. The key parameters for the warrants in circulation as of December 31, 2023, and exercisable over the next years are as follows:

Black & Scholes key parameters	Plan 2023	Plan 2022	Plan 2021
Volatility	25.6%	31.5%	33.1%
Risk free interest rate	3.27%	2.26%	-0.53%
Dividend return	4.3%	5.3%	5.0%
Economical value of the option vs. underlying share	17.3%	20.5%	15.5%

During 2023, the Group recognized EUR 0.5 million as expense in the income statement in relation with the warrant schemes (EUR 0.3 million in 2022). As of December 31, 2023, the total fair value of the warrants amounts to EUR 2.4 million (EUR 1.5 million as of December 31, 2022).

18.4.2. Profit-sharing plan

To recognize achievements, develop loyalty and encourage the teams, a profit-sharing scheme can be initiated from time to time by the Company. The Ordinary General Meeting of May 16, 2023, approved a profit-sharing scheme in the form of a grant of EVS Broadcast Equipment SA shares relating to the appropriation of the year 2022. Considering tax implications for the company, this grant consisted of 42 shares (net of taxes) for all employees hired by the group before January 1, 2023, proportionally to the effective time performance (or assimilated) in 2022. This represented 14,194 shares for an amount of EUR 0.3 million (EUR 0.3 million in 2022).

A proposal will be presented for approval to the Ordinary General Meeting of May 16, 2024, relating to the appropriation of the year 2023, representing approximately 2% of EBIT as in prior years. This proposal is subject to approval by the Board of Directors.

18.5. Treasury shares

During the Extraordinary General Meeting of June 7, 2022, the authorization to buy back own shares has been modified in Article 10, Paragraphs 2 to 4 of the statutes as follows: “
2. For a period of five (5) years from the publication in the Annexes to the Belgian Official Gazette of the decision of the extraordinary general meeting of shareholders of May 17, 2022 (or, if applicable, in case of postponement of June 7, 2022), the Board of Directors shall be authorized to acquire on the stock exchange or otherwise, shares in the Company up to a maximum of 20 % of the issued shares, fully paid up, at a unit price which may not be more than 20% lower than the lowest price during the last 12 months preceding the transaction and which may not be more than 20% higher than the highest closing price during the last 20 days of trading of the Company's shares on Euronext Brussels preceding the acquisition. This authorization shall be renewable.
3. Furthermore, in accordance with article 7:218, § 1, 4° of the Belgian Companies and Associations Code, the Board of Directors is explicitly authorized to dispose of the own shares acquired by the Company to one or more specific persons other than members of staff of the Company or its subsidiaries.
4. The powers and authorizations referred to in this Article shall be extended to the acquisition and disposal of shares of the Company by one or more subsidiaries directly controlled by the Company within the meaning of the Companies and Associations Code”

In 2023, the Group did not repurchase its own shares on the stock market. No shares were used to satisfy the exercise of warrants by employees.

At December 31, 2023, the total number of own shares amounts to 893,820 shares (at an average historical price of EUR 19.21) compared to 908,014 as of December 31, 2022 (at an average historical price of EUR 19.21).

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

	2023		2022	
	Number	WAP (EUR)	Number	WAP (EUR)
At the beginning of the period	**908,014**	**19.21**	**925,140**	**19.21**
Staff incentive program	-14,194	19.21	-17,126	19.21
At the end of the period	**893,820**	**19.21**	**908,014**	**19.21**

18.6. Reserves

(EUR thousands)	December 31, 2023	December 31, 2022
Legal reserves	999	999
Reserves available for distribution	197,898	182,391
Reserves for treasury shares	-17,174	-17,447
Reserves	**181,723**	**165,943**

18.6.1. Reserves for treasury shares

In accordance with the Group's accounting policy, the sums paid or obtained during the acquisition or sale of the Company's treasury shares are recognized directly in the shareholders' equity attributable to the company's shareholders. No profit or expense is included in the income statement for the purchase, sale, issue, or cancellation of treasury shares.

18.7. Translation differences

For Group's entities whose functional currency is not EUR (i.e. US affiliate EVS Inc. which operates in USD), assets and liabilities are converted into the Group's reporting currency (EUR) at the exchange rate in force on the reporting date, capital and reserves are converted at historical exchange rate, and the income statement is converted at the average exchange rate of the period. The translation differences resulting from this conversion are directly recognized under a distinct heading of equity.

19. LOANS

(EUR thousands)	December 31, 2023	December 31, 2022
Long term financial debts		
Bank loans	561	1,675
Long term lease liabilities	9,883	9,853
Amount due within 12 months (shown under current liabilities)		
Bank loans	1,114	1,105
Short term lease liabilities	2,782	2,645
Total financial debt (short and long-term)	**14,340**	**15,278**
The total financial debt is repayable as follows :		
- within one year	3,896	3,750
- after one year but no more than five	10,444	11,528
- more than five years	-	-

19.1. Credit lines

In June 2020, a loan of EUR 5.5 million and 0.84% interest rate was put in place with BNP Paribas Fortis to partially finance the acquisition of Axon. The repayment schedule foresees in a 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 rollover credit line of EUR 5.0 million was put in place with Belfius bank to partially finance the acquisition of Axon. This amortized credit line will end at the latest on June 30, 2025. As of this date, EVS has not used this credit facility.

There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

19.2. Lease liabilities

Lease liabilities remain stable when compared to the end of 2022 as repayment of existing lease contracts for offices and company cars are broadly offset by new lease contracts or reassessment and extension of existing ones.

Depending on the countries and the leased assets, the Group used incremental borrowing rates ranging from 2% to 8% for the lease liabilities (and right of use assets) calculation.

The table below shows the maturity analysis (undiscounted cash flows) for the lease liability:

December 31, 2022 (EUR thousands)	Within 1 year	Between 2 and 5 years	Over 5 years	Total
Lease liabilities	3,112	8,082	3,047	**14,241**

December 31, 2023 (EUR thousands)	Within 1 year	Between 2 and 5 years	Over 5 years	Total
Lease liabilities	3,263	8,965	1,932	**14,160**

19.3. Liabilities from financing activities

			Non-cash changes		
In thousands of Euro	**1 January 2022**	**Cash flows**	**Foreign exchange movements**	**Other**	**31 December 2022**
Long-term borrowings	2,779	-	-	-1,104	1,675
Short-term borrowings	1,095	-1,094	-	1,104	1,105
Lease liabilities	13,408	-2,828	418	1,500	12,498
Total liabilities from financing activities	**17,282**	**-3,922**	**418**	**1,500**	**15,278**

			Non-cash changes		
In thousands of Euro	**1 January 2023**	**Cash flows**	**Foreign exchange movements**	**Other**	**31 December 2023**
Long-term borrowings	1,675	-	-	-1,114	561
Short-term borrowings	1,105	-1,105	-	1,114	1,114
Lease liabilities	12,498	-3,055	-89	3,311	12,665
Total liabilities from financing activities	**15,278**	**-4,159**	**-89**	**3,310**	**14,340**

20. PROVISIONS

(EUR thousands)	Other provisions	Technical warranty	Total
Provisions			
As of January 1, 2022	9	1,628	1,637
Arising during the year	-	438	438
Utilized	-	-337	-337
Reversed	-	-	-
As of December 31, 2022	**9**	**1,729**	**1,738**
Current 2022	-	-	-
Non-current 2022	9	1,628	1,637
Current 2023	-	-	-
Non-current 2023	9	1,729	1,738

The litigation provisions are registered in the consolidated accounts and correspond to disputes mainly in relation with commercial or people related matters, whose outcome is still unknown. The amounts allocated to the provisions are measured according to the best knowledge of the management regarding these disputes and their reasonability is discussed with the Group's lawyers.

A provision is booked to cover two-year technical standard warranties on the equipment sold as from the delivery, as stated in our general terms and conditions. This provision, with an undefined term, is reevaluated quarterly, based on a historical analysis of the costs incurred over the years to cover two years of costs associated with these warranties. The estimate at December 31, 2023 represents an amount of EUR 1.7 million (EUR 1.6 at the end of 2022).

21. TRADE AND OTHER PAYABLES

(EUR thousands)	December 31, 2023	December 31, 2022
Trade payables	10,681	9,207
Other payables	8,735	7,719
Accrued charges	1,415	930
Deferred income	9,339	9,347
Total	**30,170**	**27,203**

Trade payables are non-interest bearing and are normally settled on 45-day terms. Other trade payables mainly consist of advances received from customers on work in progress. Additional details on advances received and deferred income are provided in note 15.2.

22. AMOUNTS PAYABLE REGARDING REMUNERATION AND SOCIAL SECURITY

(EUR thousands)	December 31, 2023	December 31, 2022
Amounts payable regarding social security	694	881
Amounts payable regarding wages and bonuses	11,787	10,338
Total	**12,481**	**11,219**

The increase of amounts payable regarding wages and bonuses on December 31, 2023 is mainly linked to the increase in headcount compared to the same period in 2022, coupled with higher provision for bonuses in line with the positive results of the year.

23. COMMITMENTS AND CONTINGENCIES

23.1. Operating lease commitments

Except for leases already reported under IFRS 16 (see notes 12 and 19), the Group has no material lease commitments to disclose.

23.2. Commitments relating to technical guarantee in respect of sales

Generally, EVS Group grants a 2-year technical guarantee on products sold subject to the general conditions of sale. At the end of 2023, a provision of EUR 1.7 million (EUR 1.6 million in 2022) is booked in relation with this warranty, as explained in the note 20.

23.3. Bank guarantees

Bank guarantees amounted to EUR 0.9 million as of December 31, 2023 (EUR 0.8 million in 2022) mainly requested as part of international public tenders, or as security deposit. Bank guarantees are reported under cash.

23.4. Contractual guarantees

There are no specific contractual guarantees in place at December 31, 2023.

23.5. Guarantees on asset

Mandates for mortgages with banks were granted for EUR 12 million (EUR 18 million in 2022) to guarantee our obligations with those banks.

23.6. Other guarantees and contingencies

Following application of the rule 403 in the Netherlands, EVS Broadcasting SA has provided a comfort letter to its dutch affiliate EVS Netherlands BV. This comfort letter exempts both companies of the issuance and filing of statutory financial statements in the Netherlands and carry indefinite financial liability of EVS Broadcasting SA on behalf of EVS Netherlands BV.

24. RELATED PARTY DISCLOSURES

24.1. Affiliates

The consolidated financial statements include the financial statement of EVS Broadcast Equipment SA and the subsidiaries consolidated according to the full consolidation method listed in note 4. They are representation and distribution subsidiaries for the products developed by EVS.

The table hereunder provides the total number of transactions which have been entered into with related parties that are not fully consolidated. Sales to and purchases from related parties are made at normal market prices and under usual commercial conditions. Outstanding balances at year end are unsecured and settlement occurs in cash.

(EUR thousands)		Sales to related parties	Purchases from related parties	Amounts due by related parties	Amounts owed to related parties
Related parties					
Associates :					
MECALEC SA	2023	-	-632	-	-
	2022	-	-636	-	-
Total	**2023**		**-632**		**-**
	2022	**-**	**-636**	**-**	**-**

24.2. Executives

Amounts recognized as an expense during the reporting period related to key management personnel are as follows:

(EUR thousands)	2023	2022
Short-term employee benefits	2,953	2,489
Post-employment pension and medical benefits	-	-
Termination benefits	-	-
Share-based payment transactions	209	107
Total	**3,162**	**2,596**

Amounts recognized as an expense during the reporting period related to key management personnel are as follows:

Amounts payable at the reporting date related to key management personnel are as follows:

(EUR thousands)	December 31, 2023	December 31, 2022
Short-term employee benefits	945	723
Post-employment pension and medical benefits	-	-
Termination benefits	-	-
Total	**945**	**723**

Share options held by key management personnel to purchase ordinary shares have the following expiry dates and exercise prices:

Expiry date	First exercise date	Exercise prices (EUR)	Number on December 31, 2023	Number on December 31, 2022
2026	2023	13.69	47,000	47,000
2027	2025	18.21	68,000	68,000
2028	2026	18.62	80,500	80,500
2029	2027	25.85	87,050	-
Total		**Between 13.69 and 25.85**	**282,550**	**195,500**

25. AUDITOR

Since the Ordinary General Meeting of May 17, 2016, the audit of the statutory and consolidated accounts of EVS Broadcast Equipment SA to EY Reviseurs d'Entreprises SRL (B-00160), represented by Carlo-Sébastien D'Addario (A02506), Belgian Réviseur d'Entreprise. The mandate of the Auditor is for three years (ending in May 2025).

In 2023, all fees related to the Auditor of the parent company, EY Reviseurs d'Entreprises SRL (B-00160), represented by Carlo-Sébastien D'Addario and its associates, amounted to EUR 277.202 in aggregate for their duties as Auditor. Other audit services amounted to EUR 3.500. No non-audit services were carried out by the Commissioner in 2023.

26. FINANCIAL RISK MANAGEMENT POLICIES

The Group enters into derivative transactions, principally forward and option currency contracts, with the purpose of securing 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 27.2.

The Group's main financial instruments, other than derivatives, comprise bank loans, finance leases, cash, and short-term deposits. The purpose of these financial instruments is to raise finance for the Group's operations. The Group has other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The Group's policy is, and has always been, that no trading in financial instruments shall be undertaken. Credit risk is described in note 27.3.

27. FINANCIAL INSTRUMENTS

27.1. Fair values 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.

27.2. Foreign currency risk

EVS measures the Group's anticipated exposure to transactional exchange risk over six months to two years. In its current structure, the group's exposure is mainly linked to the EUR/USD risk. The group invoices all customers in Euro, except the United States where customers are invoiced in USD. Considering that most operational and fiscal expenses of the Group are in EUR, this results in a "long" position in USD, i.e. all of the Group's activities generate globally a positive net cash flow in USD.

EVS hedges future USD net inflows through forward or option foreign exchange contracts. The change in the fair value of the foreign exchange contracts is recorded directly to the income statement under "Other net financial income / (expenses)", since the Group does not apply hedge accounting on these transactions. The valuation techniques used are mainly based on spot rates, forward rates and interest rate curves.

On December 31, 2023, the Group holds EUR/USD FX forward and option contracts for a total notional amount of USD 31.1 million with monthly maturities between January 2023 and December 2025. The fair value of those financial instruments on December 31, 2023, amounts to EUR 0.2 million (0.3 million on December 31, 2022).

27.3. Credit risk

Credit exposure is controlled and reviewed regularly by the management.

Trade receivables consist of many customers, spread across many geographical areas.

Significant new customers are screened through a credit analysis tool prior to initiating sales transactions. If the credit rating is low or if the customer is part of a risky area, we ask for prepayment before sending material.

Once the relationship has started, a follow-up of any late payments is carried out by the accounting team, which issues reminders if necessary. In certain specific cases, a payment schedule may be set up by mutual agreement with certain customers. For EVS, the credit risk is also limited by the fact that the license to use the equipment can be stopped at any time in the event of non-payment by the customer. To assess default, the Company compares the risk that a default occurs on the receivables at the closing date with the risk that a default occurs for these same receivables at the date of initial recognition, considering reasonable and justifiable information that would indicate significant increases in credit risk since recognition, such as amounts of receivables disputed by customers or declarations of bankruptcy.

As of December 31, 2023, it is assumed that the carrying amounts of trade receivables are the most appropriate estimate to the fair value of those assets.

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

As of December 31, 2023, the maximum amount the Group could have to pay if guarantees are called on is EUR 0.8 million (like EUR 0.8 million in December 2022).

28. EVENTS AFTER THE BALANCE SHEET CLOSING DATE

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

AUDITOR’S REPORT

Independent auditor’s report to the general meeting of EVS Broadcast Equipment SA for the year ended 31 December 2023

In the context of the statutory audit of the Consolidated Financial Statements) of EVS Broadcast Equipment SA (the “Company”) and its subsidiaries (together the “Group”), we report to you as statutory auditor. This report includes our opinion on the consolidated statement of the financial position as at 31 December 2023, the consolidated statement of the realized and un-realized results, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2023 and the disclosures including material accounting policy information (all elements together the “Consolidated Financial Statements”) as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders’ meeting of 17 May 2022, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders’ meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2024. We performed the audit of the Consolidated Financial Statements of the Group during 8 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of EVS Broadcast Equipment SA, that comprise of the consolidated statement of the financial position on 31 December 2023, the consolidated statement of the realized and un-realized results, the consolidated statement of changes in equity and the consolidated statement of cash flows of the year and the disclosures ,including material accounting policy information, which show a consolidated balance sheet total of € 251.576 thousands and of which the consolidated income statement shows a profit for the year of € 36.946 thousands.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2023, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”) and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (“ISA’s”) applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board (“IAASB”) that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the “Our responsibilities for the audit of the Consolidated Financial Statements” section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Revenue recognition – complex contracts

Description of the key audit matter

As of December 31, 2023, the Group’s turnover amounts to € 173.191 thousands, of which a portion relates to fix price contracts that are generally spread over several months. Because the revenue recognition process is manual , there is a risk that revenues are not be recognized according to the contract terms and that revenues are recognized in the wrong financial period.

This matter is considered as a key audit matter due to importance of amounts involved, the diversity of contracts as well as the level of judgment required for complex contracts.

Summary of the procedures performed

We performed the following procedures :

- We assessed the revenue recognition process as well as the operational effectiveness of internal controls;
- We performed analytical procedures comparing revenues, on a desagragated basis, with those of the previous year and with the budget. Variances were discussed with management;
- We used data analysis tools including all accounting entries to identify revenues that are not recognized through trade receivables as well as trade receivables that are cleared via an account other than cash. We also used this tool to test unusual or unexpected entries;
- Based on a statistical sample, we performed cutoff testing by analysing deliveries and receptions close to the closing date;
- We analyzed significant and complex contracts. We discussed and analyzed the revenue recognition principles adopted by the Group based on contractual terms;
- We have read the minutes of the Board of Directors where important contracts are discussed in order to ensure that there are no discrepancies with our procedures;
- We assessed the adequacy of notes 2.25 and 3.2 of the Consolidated Financial Statements.

Goodwill and intangible assets Axon

Description of the key audit matter

During the financial year ended 31 December 2020, the Group acquired 100% the shares of Axon and subsidiaries ("Axon") for a total consideration transferred of € 12.211 thousands, fully paid in cash. The allocation of the purchase price to identifiable assets and liabilities acquired was performed by EVS Group and lead to the recognition of intangible assets amounting to € 10.741 thousands, of which € 2.832 thousands is goodwill.

As of December 31, 2023, the goodwill and intangible assets show a net book value of € 2.832 thousands and € 3.623 thousands.

In accordance with IAS 36, an impairment test was documented by the Company, based on a five-year business plan taking into account expected sales and costs, with all future cash flows discounted.

Due to the inherent uncertainty related to the forecasts included in the 5-year plan and the assumptions used (discount rate and growth rate), the level of management judgment and the materiality of the amounts involved, this is considered to be a key point of our audit.

Summary of the procedures performed

We performed the following audit procedures :

- We discussed with the management about the performance of the Cash-Generating Unit (CGU) Axon and its future perspectives as set out in the five-year plan;
- We reviewed the minutes of the Board of Directors in order to confirm the information received from management;
- We have analyzed the forecasts of future cash flows in the five-year plan prepared by the management taking into account in particular the analysis of historical data;
- With the assistance of our internal business valuation specialists, we assessed the assumptions and methods used by management to determine the recoverable amount of goodwill and intangible assets;
- We compared the recoverable amount of goodwill and intangible assets with their respective net book value and concluded on the appropriateness of maintaining the net book value;
- In addition, we assessed the adequacy and completeness of the disclosures in note 10 to the consolidated financial statements based on IFRS requirements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the

Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, as well as to report on these matters.

Aspects relating to Board of Directors' report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report contains any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non–financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on Global Reporting Initiative ("GRI"). However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with "GRI".

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format in the official French language as well as the free translation into English (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/stori) in the official French language as well as the free translation into English.

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of EVS Broadcast Equipment SA per 31 December 2023 included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/stori) in the official French language are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation, and we conclude that the format of the free translation of the digital consolidated financial statements included in annual report in English corresponds to the digital consolidated financial statements included in the annual financial report in the official French language.

Other communications.

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Liege, 19 April 2024

EY Bedrijfsrevisoren BV

Statutory auditor

Represented by

Carlo-Sébastien D'Addario *

Partner

*Acting on behalf of a BV/SRL

Unique sequential number of EY reports tracking database

BELGIAN GAAP PARENT COMPANY FINANCIAL STATEMENTS

These financial statements are related to the figures for the parent company, EVS Broadcast Equipment SA (Belgium). These statements are disclosed according to the short version allowed by Article 3:17 of the Belgian Company and Association Code. They are filed at the “Banque Nationale de Belgique” and are available on request at the company’s head office, but also on the company website (www.evs.com). They have been unconditionally attested by EY, Auditors, represented by Carlo-Sébastien D'Addario, Partner.

STATUTORY MANAGEMENT REPORT

As foreseen by the Law, the consolidated management report has been drawn up to also be used as the management report on the parent company’s financial statements. The management report on the parent company’s financial statements is therefore similar to the consolidated management report, except for the following notes:

- The parent company’s financial statements include the figures for the head office in Liege (Belgium): revenue of EUR 145,054 thousand, representing 81.5% of the consolidated amount.

- The profit of the year amounts to EUR 26,658 thousand, compared to EUR 23,635 thousand in 2022. The balance sheet total amounts to EUR 210,479 thousand.

- In accordance with the Article 3:6 of the Belgian Company Code, within the Audit Committee, Marco Miserez (graduating as a Commercial Engineer in "Finance and Cross Cultural Management" from the Ichec Brussels Management School and having 12 years of experience in the financial sector), Martin DePrycker (holding a Ph.D in Computer Sciences, as well as a MBA from the University of Antwerp),Soumya Chandramouli (holding a MBA from the University of Liège and a degree in Financial Analysis from the Belgian Association of Financial Analysts as well as a specialization in Business Leadership from IMD Business School), and the president of the board who is also a member of the audit committee, have the competencies in accounting and audit. Soumya Chandramouli joined the Audit Committee in May 2023.

- Since 2016, research expenses can no longer be included in the balance sheet. Only the development costs can be capitalized in the balance sheet. Research expenses incurred in previous years remain subject to the previous regime.

  In 2023, EVS incurred an amount of EUR 23.6 million for R&D expenses, which were amortized immediately and fully in accordance with the new valuation rules in this area.

  Moreover, in 2022, the Group identified two internal development projects, that for the first time of EVS Broadcast Equipment’s history fulfilled all the conditions to be capitalized as Intangible assets. These internal development projects consist of 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 to ensure the future economic benefit remains assured. In 2023, the total amount of development costs activated as intangible asset under construction is EUR 4.2 million.

- No event other than those reported in the consolidated management report has affected the parent company’s financial statements.

BELGIAN GAAP STATUTORY INCOME STATEMENT

(EUR thousands)	2023	2022
Operating income	**175,655**	**142,658**
A. Turnover	145,054	118,283
B. Increase (+)/decrease (-) in stocks of finished goods, work and contracts in progress	1,159	1,001
C. Capitalized production	26,390	20,266
D. Other operating income	3,052	3,108
E. Non-recurring income	-	-
Operating charges	**-148,440**	**-121,362**
A. Raw materials, consumables and goods for resale	-30,594	-26,602
1. Purchases	*-38,823*	*-30,256*
2. Increase (+)/decrease (-) in stocks	*8,229*	*3,654*
B. Services and other goods	-48,060	-38,548
C. Remuneration, social security costs and pensions	-36,917	-31,398
D. Depreciation of and other amounts written off on formation expenses, intangible and tangible fixed assets	-28,434	-20,068
E. (+)/(-) in amounts written off on stock and trade debtors	-281	-2,604
F. (+)/(-) in provisions for liabilities and charges	-3,800	-1,270
G. Other operating charges	-444	-872
H. Non-recurring charges	-	-
Operating profit	**27,215**	**21.296**
Financial income	**3,104**	**3,593**
A. Income from financial assets	891	400
B. Income from current assets	-	-
C. Other financial income	2,213	3,193
Financial charges	**-1,950**	**-1,713**
A. Interest and other debt charges	-385	-313
B. Write-offs on current assets other than stocks, work in progress and trade receivables (+, -)	-	-
C. (+)/(-) in amounts written off on current assets	-1,565	-1,400
X. Charges financières non récurrentes	-	-
Profit on ordinary activities before taxes (+,-)	**28,369**	**23,176**
Transfer and withdrawal from deferred taxation	75	105
Income taxes	-1,786	354
Result for the period (+, -)	**26,658**	**23,635**
Transfers from not taxable reserves	226	314
Transfers to not taxable reserves	-998	-
Result for the period available for appropriation (+, -)	**25,886**	**23,949**
Appropriation account*		
A. Result to be appropriated	**63,893**	**59,858**
B. Transfers from reserves		
C. Transfers to reserves	-	-
D. Profit / Loss to be carried forward	-57,176	-38.007
E. 1. Dividends	-6,717	-21,486
E. 2. Other equivalents		-365

*The 2022 figures have been updated with the results allocation approved by the Ordinary General Meeting of 16 May 2023

BELGIAN GAAP STATUTORY BALANCE SHEET

ASSETS (EUR thousands)	December 31, 2023	December 31, 2022
Fixed assets	**68,032**	**61,624**
Intangible assets	15,292	56
Tangible assets	36,711	45,694
A. Land and buildings	31,921	34,612
B. Plant, machinery and equipment	53	38
C. Furniture and vehicles	2,106	1,377
D. Leased assets	-	-
E. Other tangible assets	23	23
F. Assets under construction and advance payments	2,608	9,644
Financial assets	16,029	15,874
A. Affiliated companies	15,862	15,687
1. Participating interests	*7,362*	*5,454*
2. Amounts receivable	*8,500*	*10,233*
B. Other companies linked to participating interests	99	99
1. Participating interests	*99*	*99*
2. Amounts receivables	-	-
C. Other financial assets	68	88
1. Participating interests	-	-
2. Receivable and cash guarantee	*68*	*88*
Current assets	**142,447**	**131,529**
Amounts receivable after more than one year		
A. Trade debtors		
Stocks and contracts in progress	31,274	22,380
A. Stocks	31,274	22,380
1. Raw materials and consumables	*19,315*	*13,599*
2. Goods in process	*2,888*	*1,827*
3. Finished goods	*6,042*	*5,166*
4. Goods for resale	*3,029*	*1,788*
B. Goods in process	-	-
Amounts receivable within one year	57,008	54,889
A. Trade debtors	54,347	50,457
B. Other amounts receivable	2,661	4,432
Investments	34,930	35,132
A. Treasury shares	17,174	17,447
B. Other investments and deposits	17,756	17,685
Cash at bank and in hand	12,577	13,020
Deferred charges and accrued income	6,658	6,108
TOTAL ASSETS	**210,479**	**193,153**

LIABILITIES (EUR thousands)	December 31, 2023	December 31, 2022*
Capital and reserves	**162,519**	**142,856**
Capital	**8,772**	**8,772**
A. Issued capital	8,772	8,772
Share premium	**14,462**	**14,462**
Reserves	**79,017**	**78,246**
A. Legal reserve	877	877
B. Reserves not available for distribution	17,174	17,447
1. In respect of treasury shares	*17,174*	*17,447*
C. Not taxable reserves	3,144	2,372
D. Reserves available for distribution	57,822	57,550
Profit / Loss carried forward	**57,176**	**38,007**
Investment grants	**3,092**	**3,369**
Provisions and deferred taxation	**8,711**	**4,985**
A. Provision for liabilities and charges	8,130	4,329
B. Deferred taxation	581	656
Creditors	**39,249**	**45,312**
Amounts payable after one year	**570**	**1,684**
A. Financial debts	561	1,675
1. Debts from leasing agreements	-	-
2. Credit institutions	*561*	*1,675*
B. Other amounts payable	9	9
Amounts payable within one year	**35,727**	**40,565**
A. Current portion of amounts payable after one year	1,114	1,105
B. Financial debts	-	-
C. Trade debts	23,774	12,993
1. Suppliers	*23,774*	*12,993*
D. Advances received on orders	3,039	4,127
E. Taxes, remuneration and social security	7,793	7,211
1. Taxes	*670*	*955*
2. Remuneration and social security	*7,123*	*6,257*
F. Other amounts payable	7	15,129
Accrued charges and deferred income	**2,952**	**3,063**
TOTAL LIABILITIES	**210,479**	**193,153**

*The 2022 figures have been updated with the profit allocation approved by the Ordinary General Meeting of 16 May 2023

APPENDIX TO PARENT COMPANY FINANCIAL STATEMENTS

Capital as of December 31, 2023 (EUR thousands)	Amounts	Number of shares
A. Share capital		
1. Issued capital	8,772	14,327,024
2. Structure of capital		
2.1. Different categories of shares		
Shares without face value	8,772	14,327,024
2.2. Registered shares and bearer shares		
Registered shares – as of December 31, 2023		1,322,067
Dematerialized shares – as of December 31, 2023		13,004,957
B. Treasury shares held by the company itself	**17,174**	**893,820**
C. Commitments to issue shares		
1. Following the exercise of subscription rights		
- Number of outstanding subscription rights		680,875
- Amount of capital to be issued	13,497	
- Maximum number of shares to be issued		680,875
D. Amount of authorized capital, not issued	**1,600**	

GLOSSARY

This glossary contains a description of frequently used Financial Terms, Alternative Performance Measures (APM) and Non-financial KPIs in EVS reporting deliverables.

BER: Big Event Rental

BER market pillar: market pillar covering big event rentals to host broadcasters for major non-yearly events

CAPEX: capital expenditures, refers to acquisitions of intangible assets and property, plant and equipment, excluding the Right of Use assets (leasing).

Capital Employed: refers to the amount of capital investment used to operate and provides an indication of how the Company is investing its money. It consists of goodwill, intangible assets, tangible assets and inventory.

Cash flow from operating activities: amount of cash generated from ongoing, regular business activities.

CGU: Cash Generating Unit, is the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets

Cost of sales: cost of materials and charges directly related to revenues.

EBIT: Earnings Before Interest & Taxes, corresponds to Revenue minus Cost of Sales, minus operating expenses linked to renumeration of team members and operating expenses not directly linked to remuneration of team members minus Depreciation and Amortizations.

EBITDA: Earnings Before Interest & Taxes, corresponds to Revenue minus Cost of Sales, minus operating expenses linked to renumeration of Team Members and operating expenses not directly linked to remuneration of Team Members

ECL: Expected Credit Loss, is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of a financial instrument.

EGM: Extraordinary General Meeting

Free cash flow: cash flow before financing activities.

Gross margin: result of revenue minus cost of sales, divided by the revenue.

LAB: Live Audience Business

LAB market pillar: 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: Live Service Providers

LSP market pillar: 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

Net cash position: refers to the liquidity position of the company. Net cash is calculated by deducting interest-bearing debt from cash and cash equivalents.

Net profit: amount of money the company earns after deduction of all operating, interest and tax expenses of a given period in time.

Operating Expenses: also known as selling, general and administrative expenses (SG&A), represent the overhead costs incurred to engage in activities that are not directly related to production.

Operating margin: also known as return on sales, is an profitability ratio measuring the revenue after deduction of Cost of Sales and Operating Expenses. It is calculated by dividing the operating income by the revenue.

Other operating income: relates to income from, for example, reimbursements from damages, team members, insurances, gains on disposal, … This income is generated from activities that are not immediately linked to the principal activities of the company.

Order book <date>: revenues planned to be recognized after the <date> based on current orders.

ROCE: Return on Capital Employed, refers to a financial ratio that can be used to assess the Company’s profitability and capital efficiency. This ratio helps to understand how well the Company is generating profits from its capital as it is put to use. The ratio is calculated by dividing the Net Earnings by the Capital Employed.

ROE: Return on Equity, is a measure of financial performance calculated by dividing the net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE is considered the return on net assets.

Secured revenue: revenue already recognized as well as open orders on hand that will be recognized as revenue in the fiscal year.

Working capital requirement: financial metric showing the amount of financial resources needed to cover operating costs. It represents the Company's short-term financing requirements. It is calculated by deducting current liabilities from current assets.