

Publication on May 17, 2018, before market opening
Regulated information – Press release quarterly results
EVS Broadcast Equipment S.A.: Euronext Brussels (EVS.BR), Bloomberg (EVS BB), Reuters (EVS.BR)

EVS REPORTS FIRST QUARTER 2018 RESULTS

> 1Q18 highlights

- Revenue of EUR 22.8 million, -6.9% compared to 1Q17 (-20.0% excl. event rentals and at constant currency)
- Strong opex increase compared to 1Q17, given the announced recruitments in 4Q17 and 1Q18 in R&D to reflect the larger product portfolio
- EBIT margin of 8.1%
- Net profit of EUR 2.1 million, EPS of EUR 0.16

> Gross total dividend of EUR 1.00 (final gross dividend of EUR 0.50) approved by the Ordinary General Meeting

> Outlook

- Order book of EUR 32.3 million on May 10, 2018 (to be invoiced in 2018)
 - > -9.0% vs last year (-27.8%, excl. big event rentals)
- Additional EUR 6.6 million orders to be invoiced in 2019 and beyond
- Revenue are expected to be in the EUR 115 million to EUR 130 million range in 2018
- Opex are expected to grow in a moderated way due to investments in R&D for new product development, in addition to the structural salary increases in Belgium of ±2%

KEY FIGURES

EUR millions, except earnings per share (EUR)	Unaudited		
	1Q18	1Q17	1Q18/1Q17
Revenue	22.8	24.5	-6.9%
Gross margin	15.7	17.2	-8.8%
Gross margin %	68.8%	70.3%	-
Operating profit – EBIT	1.9	4.9	-62.4%
Operating margin – EBIT %	8.1%	20.1%	-
Net profit (Group share)	2.1	3.6	-39.8%
Basic earnings per share (Group share)	0.16	0.26	-39.8%

COMMENTS

“While we were disappointed by the market evolution in the first quarter of the year, we continue to see increasing momentum around our new product launches and developments and we don’t lose any market share. More specifically, at the recent NAB tradeshow in Las Vegas, EVS presented the new XT-VIA platform, which will become available during the summer. Combining more possibilities (6 channels in 4K and all the most recent technology advances) with the highest level of reliability and service, the XT-VIA should support some investment in 2H18 by customers who need 4K capabilities” said Muriel De Lathouwer, CEO of EVS.

Commenting on the results and prospects, Yvan Absil, CFO, said: “Our first quarter revenue of EUR 22.8 million is the combination of the very strong 4th quarter in 2017, and the soft order book as announced on the 15th of February. Our operating expenses increased compared to 1Q17 following the planned increase in the number of employees in 4Q17 and 1Q18 to reflect the larger product range. For 2018, we expect some acceleration of the activity after a soft start of the year. As a result, we expect revenue to be in the EUR 115 million to EUR 130 million range, and we continue to forecast moderate opex growth, on top of the structural salary increases in Belgium.”

Revenue in the first quarter of 2018

Revenue – EUR millions	1Q18	1Q17	% 1Q18 / 1Q17
Total reported	22.8	24.5	-6.9%
Total at constant currency	23.9	24.5	-2.8%
Total at constant currency and excluding big event rentals	19.6	24.5	-20.0%

EVS revenue amounted to EUR 22.8 million in 1Q18, a 6.9% decrease compared to 1Q17 (-20.0% at constant currency and excluding big event rentals). Revenue of solutions in Outside broadcast vans represented 42.4% of the total group revenue. Studio & others revenue represented 39.1% of total revenue in 1Q18, and big event rentals represented 18.5% of total revenue.

Geographically, revenues (excl. big event rentals) are distributed in 1Q18 as follows:

- Europe, Middle-East and Africa (“EMEA”): EUR 6.7 million
- “Americas”: EUR 6.5 million
- Asia & Pacific (“APAC”): EUR 5.5 million

First quarter 2018 results

Consolidated gross margin was 68.8% in 1Q18, compared to 70.3% in 1Q17 due to lower revenue. As expected, operating expenses increased by 11.5% vs 1Q17, given the announced higher number of recruitments in 4Q17 and 1Q18 to cover the broader product range. This led to a 1Q18 EBIT margin of 8.1%. Income taxes were positive this quarter (EUR 0.5 million), mainly due to the geographical mix of revenue and costs in 1Q18 (more costs in Belgium, resulting in a loss in this entity). Group net profit amounted to EUR 2.1 million in 1Q18, compared to EUR 3.6 million in 1Q17. Basic net profit per share amounted to EUR 0.16 in 1Q18 compared to EUR 0.26 in 1Q17.

Staff

At the end of March 2018, EVS employed 508 people (FTE). As announced, this increase of 15 people in 1Q18 reflects the increased perimeter of our R&D teams with the new product range. After two quarters of higher recruitments, it is expected to slow down again in the rest of the year.

Balance sheet and cash flow statement

Total equity represents 69.0% of the total balance sheet as of the end of March 2018. Inventories amount to EUR 17.9 million, and include around EUR 3.0 million value of own equipment used for R&D and demos of EVS products. This is an increase compared to the end of 2017, mainly due to the equipment produced in preparation of the world cup in Russia this summer. In the liabilities, provisions include mainly the provision for technical warranty on EVS products for labor and parts.

Lands and building mainly include the new headquarters in Liège. Depreciation is approximately EUR 2.1 million on a full year basis. Liabilities include EUR 13.6 million of financial debt (including long term and short term portion of it), mainly relating to the new building. The company already started to repay it in 2015 with installments of around EUR 5.2 million reimbursement per year.

The net cash from operating activities amounts to EUR 10.3 million in 1Q18. On March 31, 2018, cash and cash equivalents total EUR 48.2 million.

At the end of March 2018, there were 13,625,000 EVS shares outstanding, of which 105,771 were owned by the company. At the same date, 185,000 warrants were outstanding with an average exercise price of EUR 30.79 and an average maturity in April 2022.

2018 outlook

The order book (to be invoiced in 2018) on May 10, 2018 amounts to EUR 32.3 million, which is -9.0% compared to EUR 35.5 million last year (or -27.8% excl. big event rentals). In addition to this order book to be invoiced in 2018, EVS already has EUR 6.6 million of orders to be invoiced in 2019 and beyond.

The management continues to see increasing momentum around EVS new product launches and developments. The XT-VIA platform, which will be launched during the summer, should support some investment in 2H18 by customers who need 4K capabilities. Revenue in 2018 is expected to be in the EUR 115 million to EUR 130 million range, supported by some acceleration of the activity after a soft start of the year. We continue to forecast a moderate increase of our operating expenses due to investments in R&D for new product development, in addition to the structural salary increases in Belgium of $\pm 2\%$.

Ordinary General Meeting

The Ordinary General Meeting took place on Tuesday May 15, 2018 at EVS Headquarters. The agenda and all results are available on the company website: www.evs.com

Status of the control by the Statutory Auditors

The Statutory Auditor Ernst & Young Réviseurs d'Entreprises SCCRL has not reviewed the quarterly financial statements as presented in this press release.

Conference call

EVS will hold a conference call in English today at 3.00 pm CET for financial analysts and institutional investors. Other interested parties may join the call in a listen-only mode. The presentation used during the conference call will be available shortly before the call on the EVS website.

Dial-in numbers: +44 (0)1452 555 566 (United Kingdom), +32 (0)81 70 00 61 (Belgium), +1 631 510 7498 (United States)
Conference call ID: 6279538

Corporate Calendar:

May 22, 2018: final dividend – ex-date
May 23, 2018: final dividend – record-date
May 24, 2018: final dividend – pay-date
August 30, 2018: 2Q18 results
November 15, 2018: 3Q18 results

For more information, please contact:

Yvan ABSIL, CFO
Geoffroy d'OULTREMONT, Vice President Investor Relations & Corporate Communication
EVS Broadcast Equipment S.A., Liege Science Park, 13 rue du Bois Saint-Jean, B-4102 Seraing, Belgium
Tel: +32 4 361 70 13. E-mail: corpcom@evs.com; www.evs.com

Forward Looking Statements

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

About EVS

EVS is globally recognized as the technology leader for live video production. The company introduced Live Slow Motion replay in 1994, and has continued to build on its reputation for quality and reliability with solutions that enhance live sports, entertainment and news content. Innovations – such as the C-Cast multimedia platform and DYVI IT-based switcher – are raising the bar for live production enrichment, management and distribution. Broadcasters, rights owners, producers and venues alike use EVS to maximize the value of their productions and increase revenue streams. The company is headquartered in Belgium with around 500 employees in offices in Europe, the Middle East, Asia and North America, and provides sales and technical support to more than 100 countries. EVS is a public company traded on Euronext Brussels: EVS, ISIN: BE0003820371. For more information, please visit www.evs.com

Condensed Interim Consolidated financial statements

ANNEX 1: CONDENSED CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Annex	1Q18 Unaudited	1Q17 Unaudited
Revenue	5.3	22,839	24,533
Cost of sales		-7,117	-7,298
Gross profit		15,723	17,235
Gross margin %		68.8%	70.3%
Selling and administrative expenses		-6,560	-6,089
Research and development expenses		-7,151	-6,203
Other income		16	74
Other expenses		-78	-73
Stock based compensation and ESOP plan		-98	-15
Operating profit (EBIT)		1,852	4,929
Operating margin (EBIT) %		8.1%	20.1%
Interest revenue on loans and deposits		18	15
Interest charges		-89	-95
Other net financial income / (expenses)	5.6	-173	-59
Share in the result of the enterprise accounted for using the equity method		31	28
Profit before taxes (PBT)		1,638	4,817
Income taxes	5.7	503	-1,262
Net profit		2,141	3,555
Attributable to :			
Non controlling interest			
Equity holders of the parent company		2,141	3,555
EARNINGS PER SHARE <i>(in number of shares and in EUR)</i>		1Q18 Unaudited	1Q17 Unaudited
Weighted average number of subscribed shares for the period less treasury shares		13,519,229	13,505,889
Weighted average fully diluted number of shares		13,519,229	13,505,889
Basic earnings – share of the group		0.16	0.26
Fully diluted earnings – share of the group ⁽¹⁾		0.16	0.26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR thousands)	1Q18 Unaudited	1Q17 Unaudited
Net profit	2,141	3,555
Other comprehensive income of the period		
Currency translation differences	-51	-103
Other increase/ (decrease)	-	-491
Total of recyclable elements	-51	-594
Total comprehensive income for the period	2,090	2,961
Attributable to :		
Non controlling interest	-	-
Equity holders of the parent company	2,090	2,961

(1) The diluted earnings per share are equal to the basic earnings per share as the 185,000 warrants outstanding at the end of March 2018 were not exercisable given the exercise prices were below the share price. The 185,000 warrants have an average maturity of April 2022.

**ANNEX 2: CONDENSED STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET)**

ASSETS (EUR thousands)	Notes	March 31, 2018 Unaudited	Dec. 31, 2017 Audited
Non-current assets :			
Goodwill		1,125	1,125
Other intangible assets		294	291
Lands and buildings	5.11	45,369	45,812
Other tangible assets		2,780	2,897
Investment accounted for using equity method		1,122	1,091
Other long term amounts receivables		1,603	1,759
Deferred tax assets		4,286	3,297
Other financial assets		271	273
Total non-current assets		56,850	56,546
Current assets :			
Inventories		17,906	15,667
Trade receivables		23,394	33,144
Other amounts receivable, deferred charges and accrued income		5,311	3,820
Other financial assets		206	236
Cash and cash equivalents		48,196	39,423
Total current assets		95,013	92,291
Assets classified as held for sale	5.3.5	4,016	4,016
Total assets		155,880	152,853
EQUITY AND LIABILITIES (EUR thousands)			
Equity :			
Capital		8,342	8,342
Reserves		102,658	100,452
Treasury shares		-4,038	-4,038
Total consolidated reserves		98,619	96,414
Translation differences		539	590
Equity attributable to equity holders of the parent company		107,501	105,347
Non-controlling interest		-	-
Total equity	5.4	107,501	105,347
Long term provisions		1,187	1,212
Deferred taxes liabilities		29	-
Financial long term debts	5.11	8,363	9,300
Other long term debts		59	59
Non-current liabilities		9,638	10,572
Short term portion of financial debts	5.11	5,250	5,250
Trade payables		5,898	5,870
Amounts payable regarding remuneration and social security		9,033	8,513
Income tax payable		9,207	8,851
Other amounts payable, advances received, accrued charges and deferred income		9,353	8,451
Current liabilities		38,741	36,935
Total equity and liabilities		155,880	152,853

ANNEX 3: CONDENSED STATEMENT OF CASH FLOWS

Notes	1Q18 Unaudited	1Q17 Unaudited
Cash flows from operating activities		
Net profit, group share	2,141	3,555
Adjustment for:		
- Depreciation and write-offs on fixed assets	834	886
- Stock based compensation and ESOP	98	15
- Provisions	-25	-
- Income tax expenses	-503	1,262
-Interests expense (+) / Income (-)	245	140
-Share of the result of entities accounted for under the equity method	-31	-28
Adjustment for changes in working capital items:		
-Inventories	-2,239	-693
-Trade receivables	9,860	3,519
-Other amounts receivable, deferred charges and accrued income	-1,330	-1,714
-Trade payables	28	549
-Amounts payable regarding remuneration and social security	514	-154
-Other amounts payable, advances received, accrued charges and deferred income	913	1,429
-Conversion differences	-11	-93
<i>Cash generated from operations</i>	<i>10,495</i>	<i>8,672</i>
Income taxes paid	-242	-7,180
Net cash from operating activities	10,253	1,492
Cash flows from investing activities		
Purchase of intangible assets	-	-6
Purchase of tangible assets (lands and building and other tangible assets)	-284	-517
Disposal of tangible assets	-	2
Other financial assets	2	7
Net cash used in investing activities	-281	-515
Cash flows from financing activities		
Reimbursement of borrowings	-938	-938
Interests paid	-71	-95
Interests received	18	15
Dividend received from investee	-	-
Dividend paid - interim dividend	-	-
Dividend paid - final dividend	-	-
Acquisition / sale of treasury shares	-	-
Net cash used in financing activities	-991	-1,018
Net increase in cash and cash equivalents	8,980	-41
Net foreign exchange difference	-208	-125
Cash and cash equivalents at beginning of period	39,423	53,150
Cash and cash equivalents at end of period	48,196	52,984

ANNEX 4: CONDENSED STATEMENT OF CHANGE IN EQUITY

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, group share	Non-controlling interest	Total equity
Balance as at January 1, 2017	8,342	92,611	-4,547	1,040	97,447		97,447
Total comprehensive income for the period		3,064		-150	2,914		2,914
Acquisition of non-controlling interest							
Share-based payments		15			15		15
Acquisition/sale of treasury shares							
Final dividend							
Interim dividend							
Balance as per March 31, 2017	8,342	95,690	-4,547	890	100,376		100,376

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, group share	Non-controlling interest	Total equity
Balance as at January 1, 2018 (reported)	8,342	100,452	-4,038	590	105,347		105,347
Change in accounting policies		-34			-34		-34
Balance as at January 1, 2018 (restated)	8,342	100,418	-4,038	590	105,313		105,313
Total comprehensive income for the period		2,141		-51	2,090		2,090
Acquisition of non-controlling interest							
Share-based payments		98			98		98
Acquisition/sale of treasury shares							
Final dividend							
Interim dividend							
Balance as per March 31, 2018	8,342	102,658	-4,038	539	107,501		107,501

ANNEX 5: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 5.1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The consolidated financial statements of EVS Group for the 3 month-period ended March 31, 2018, are established and presented in accordance with the International Financial Reporting Standards (IFRS), as adopted for use in the European Union. The accounting framework and standards adopted by the European Commission can be accessed through the following link on the website: http://ec.europa.eu/finance/company-reporting/index_en.htm. The condensed interim financial statements of the Group for the 3 month-period ended March 31, 2018 were authorized for issue by the Board of Directors on May 15, 2018. This interim report only provides an explanation of events and transactions that are significant to an understanding of the changes in financial position and reporting since the last annual reporting period and should therefore be read in conjunction with the consolidated financial statements for the financial year ended on December 31, 2017.

NOTE 5.2: SIGNIFICANT ACCOUNTING POLICIES AND METHODS

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by the IASB, and as adopted by the EU. The accounting policies and methods adopted for the preparation of the Company's IFRS consolidated financial statements are consistent with those applied in the 2017 consolidated financial statements. The Company's IFRS accounting policies and methods are available in the 2017 annual report on www.evs.com, except for the new, amended or revised IFRS standards and IFRIC Interpretations that have been adopted as of January 1, 2018 which are listed hereunder:

- Amendments to IFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions, effective 1 January 2018
- IFRS 9 Financial Instruments, effective 1 January 2018
- Amendments to IFRS 9 Financial Instruments - Prepayment Features with Negative Compensation, effective 1 January 2018
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15 and Clarifications to IFRS 15 Revenue from Contracts with Customers, effective 1 January 2018
- Amendments to IAS 40 Investment Property – Transfers of Investment Property, effective 1 January 2018
- IFRIC 22 Foreign Currency Transactions and Advance Consideration effective 1 January 2018
- Annual Improvements Cycle - 2014-2016, effective 1 January 2018

The adoption of these new, amended or revised pronouncements did not have significant impact on the consolidated financial statements of the Group, except for:

- Since January 1, 2018, IFRS 15 Revenue from contracts with customers is applicable. EVS Group used the transitional modified retrospective method for the transition to the new standard, however, the transition to IFRS 15 did not have a material impact as of January 1, 2018 for contracts with performance remaining under previous guidance.
- As of January 1, 2018 IFRS 9 Financial Instruments is also applicable.
 - The classification & measurement requirements of IFRS 9 did not have an impact because the Company's trade receivables satisfy the conditions to be classified at amortized cost under IFRS 9.
 - The new impairment model under IFRS 9 requires the recognition of impairment provision based on the expected credit losses. It applies to all financial assets measured at amortized cost, mainly the Company's trade receivables. At transition, EVS Group estimated the impact of this change being EUR 34 thousand which has been recognized in the opening equity because the comparative information was not restated in line with the transition requirements of the new standard. The amount of impairment loss as of March 31, 2018 did not differ significantly from this amount therefore no significant change has been recognized.

NOTE 5.3: SEGMENT REPORTING

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

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

The company provides only one type of solution: solutions based on tapeless workflows with a consistent modular architecture. This is the product of EVS. There are no other significant classes of business, either singularly or in aggregate. Indeed, identical

modules can meet the needs of different markets. Our customers themselves are often multi-markets. Providing information for each module is therefore not relevant for EVS.

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

The company provides additional information with a presentation of the revenue by destination: "Outside broadcast vans", "Studio & others" and "Big sporting event rentals" for rental contracts relating to the big sporting events.

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

5.3.1. Information on revenue by destination

Revenue can be presented by destination: Outside broadcast vans, Studio & others and Big sporting event rentals. Maintenance and after sale service are included in the complete solution proposed to the clients.

Revenue (EUR thousands)	1Q18	1Q17	% 1Q17/1Q16
Outside broadcast vans	9,676	17,420	-44.5%
Studio & others	8,931	7,104	+25.7%
Big sporting event rentals	4,234	9	N/A
Total Revenue	22,839	24,533	-6.9%

5.3.2. Information on revenue by geographical information

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

Revenue for the quarter (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event rentals	TOTAL
1Q18 revenue	5,466	6,660	6,481	4,234	22,839
Evolution versus 1Q17 (%)	-36.8%	-39.5%	+33.3%	N/A	-6.9%
Variation versus 1Q17 (%) at constant currency	-36.8%	-39.5%	+53.9%	N/A	-2.8%
1Q17 revenue	8,646	11,018	4,861	9	24,533

Revenue realized in Belgium (the country of origin of the company) with external clients represent less than 5% of the total revenue for the period. In the last 12 months, the group realized significant revenue with external clients (according to the definition of IFRS 8) in one country: the United States (Americas, EUR 27.7 million in the last 12 months).

5.3.3. Information on revenue by nature

Revenue can be presented by nature: systems and services.

Revenue (EUR thousands)	1Q18	1Q17	% 1Q18/ 1Q17
Systems	20,070	21,925	-8.5%
Services	2,769	2,608	+6.2%
Total Revenue	22,839	24,533	-6.9%

Services include advice, installations, project management, training, maintenance, and distant support.

5.3.4. Information on important clients

Over the last 12 months, no external client of the company represented more than 10% of the revenue.

5.3.5 Other income and assets held for sale

Assets held for sale as at March 31, 2018 represent an amount of EUR 4.0 million and relates to buildings which were occupied by the Company before it moved its headquarters at its current location. Such buildings are classified among assets held for sale for more than twelve months but EVS remains committed to its plan to sell the buildings. Accordingly, these buildings are still classified as assets held for sale. As per information available at this stage, there is no indication of impairment for these buildings.

NOTE 5.4: EQUITY SECURITIES

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

	2018	2017
Number of own shares at January 1	105,771	119,111
Acquisition of own shares on the market	-	-
Shares temporarily held for third parties	-	-
Sale of own shares on the market	-	-
Allocation to Employees Profit Sharing Plans	-	-
Revenue related to Employee Stock Option Plan (ESOP) and other transactions	-	-
Number of own shares at March 31	105,771	119,111
Outstanding warrants at March 31	185,000	209,700

In 1Q18, the company did not repurchase any share on the stock market. No shares were used to satisfy the exercise of warrants by employees. At the end of March 2018, the company owned 105,771 own shares at an average historical price of EUR 38.18. At the same date, 185,000 warrants were outstanding (no grant, no exercise and 47,900 cancellations in 1Q18) with an average strike price of EUR 30.79 and an average maturity of April 2022.

NOTE 5.5: DIVIDENDS

The Ordinary General Meeting of May 15, 2018 approved the payment of a total gross dividend of EUR 1.00 per share, including the interim dividend of EUR 0.50 per share paid in November 2017, leading to a final gross dividend of EUR 0.50 per share, for digital coupon # 26, ex-date May 22 and pay date May 24.

(EUR thousands)	# Coupon	2017	2016
- Final dividend for 2015 (EUR 0.50 per share less treasury shares)	22	-	6,753
- Interim dividend for 2016 (EUR 0.60 per share less treasury shares)	23	-	8,104
- Final dividend for 2016 (EUR 0.70 per share less treasury shares)	24	9,446	-
- Interim dividend for 2017 (EUR 0.50 per share less treasury shares)	25	6,760	-
Total paid dividends		16,206	14,857

NOTE 5.6: OTHER NET FINANCIAL INCOME / (EXPENSES)

(EUR thousands)	1Q18	1Q17
Exchange results from statutory accounts	51	-52
Exchange results relating to IFRS consolidation methodology	-259	90
Other financial results	35	-98
Other net financial income / (expenses)	-173	-59

The functional currency of EVS Broadcast Equipment S.A. as well as all of 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. For more information on exchange rates, see also the note 5.9.

NOTE 5.7: INCOME TAX EXPENSE

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 the two periods with the theoretical tax charge obtained by applying the theoretical tax rate:

(EUR thousands)	1Q18	1Q17
Reconciliation between the effective tax rate and the theoretical tax rate		
Reported profit before taxes, share in the result of the enterp. accounted for using the equity method	1,607	4,789
Reported tax charge based on the effective tax rate	503	-1,262
Effective tax rate	-31.3%	26.4%
Reconciliation items for the theoretical tax charge		
Tax effect of deduction for notional interests	-	-11
Tax effect of non-deductible expenditures	75	101
Tax effect due to the usage of tax losses	-15	-
Tax effect on R&D investment deductions	-302	-328
Tax effect of overvaluations and undervaluations related to prior years	-162	342
Other increase / (decrease)	-201	-95
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-102	-1,253
Theoretical tax rate	6.3%	26.2%

NOTE 5.8: HEADCOUNT

(in full time equivalents)	At March 31	Three-months average
2018	508	501
2017	480	478
<i>Variation</i>	<i>+5.8%</i>	<i>+4.8%</i>

NOTE 5.9: EXCHANGE RATES

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

Exchange rate USD / EUR	Average 1Q	At March 31
2018	1.2292	1.2321
2017	1.0648	1.0691
<i>Variation</i>	<i>-13.4%</i>	<i>-13.2%</i>

For 1Q18, the average US dollar exchange rate against the Euro decreased by 13.4%. It had a negative impact on 1Q18 revenue of EUR 1.0 million, or 4.1%.

NOTE 5.10: FINANCIAL INSTRUMENTS

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

Periodically, EVS measures the group's anticipated exposure to transactional exchange risk over one year, mainly relating to the EUR/USD risk. Given the group has a "long" position in USD and based on revenue forecasts, EVS hedges future USD net inflows by forward foreign exchange contracts. The change in the fair value of the forward foreign exchange contracts goes directly through the income statement (other financial results) because the Group does not apply hedge accounting on these transactions.

On March 31, 2018, the group holds USD 2.5 million in forward exchange contracts, with an average maturity date of July 2018, and an average exchange rate of EUR/USD of 1.1858.

NOTE 5.11: FINANCIAL DEBT

In order to partially finance its new HQ and operating facilities, EVS has drawn down a total of EUR 30 million loans. EVS already started to pay these loans down, and will gradually do so until 2020, with annual installments of EUR 5.2 million. In 4Q16, EVS took advantage of the low interest rates to re-organize (with no change of the total amount and at no cost) and simplify some of its credit lines in relation with the financing of the new headquarter. As a result, it now has three credit lines of EUR 5.4 million with Belfius, ING and BNP Paribas Fortis, all maturing in 2020. During 1Q18, EVS did reimburse EUR 0.9 million.

NOTE 5.12 SUBSEQUENT EVENTS

On May 15, 2018, EVS held its Ordinary General Meeting, during which the shareholders approved the profit allocation, including the profit-sharing plan, which will be recorded in the income statement in 2Q18 (expense of EUR 0.4 million). There were no other subsequent events that may have a material impact on the balance sheet or income statement of EVS.

NOTE 5.13: RISK AND UNCERTAINTIES

Investing in the stock of EVS involves risks and uncertainties. The risks and uncertainties relating to the remainder of the year 2018 are similar to the risks and uncertainties that have been identified by the management of the company and that are listed in the management report of the annual report (available at www.evs.com).

NOTE 5.14: CONFLICTS OF INTEREST – RELATED PARTIES TRANSACTIONS

During the period under review, there was no conflict of interest according to the specific procedure provided for under Articles 523 and 524 of Company Law (“Code des Sociétés”).

There were no related party transactions.

There were no changes in the related parties’ transactions as described in the last management report (“rapport de gestion”).

Certification of responsible persons

Muriel De Lathouwer, Managing Director & CEO
Yvan Absil, CFO

Certify that, based on their knowledge,

- a) the condensed financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, fairly present in all material respects the financial condition and results of operations of the issuer and the companies included in the consolidation,
- b) the Directors' report fairly presents the important events and related parties transactions of the first quarter of 2018, including their impact on the condensed financial statements, and a description of the existing risks and uncertainties for the remaining months of the fiscal year.