August 13, 2024

Half-Year Financial Report

EVS six months ended 30 June 2024

Inside / regulated information

Published on August 13, 2024 at 18:30 CEST after market closing.

Table of Contents

Management discussion and analysis

Half year results confirm profitable growth ambition for 2024

The financial performance of the first semester of 2024 confirms the growth track set out by EVS.

First half financial performance highlights

- Order intake of EUR 87.0 million, including EUR 7.8 million for 2024 Big Event Rental, demonstrating a growth of 7.1%. The overall pipeline for the year is strong (+44%), supporting growth of order intake at full year level, securing long-term growth perspectives.
- Revenue in the first six months of the year amounts to EUR 98.1 million, growing +12.2% YoY, including EUR 4.5 million Big Event Rental revenue.
- Gross margin performance remains strong at 71.9%, partly influenced by a change in accounting treatment of internal assets (+1.2Pts vs. 1H23 post adjustment).
- Net profit amounts to EUR 21.8 million, leading to a diluted earnings per share of EUR 1.54 (an improvement of EUR 0.02 compared to 1H23 results).

Outlook

- The secured revenue for 2024 is at EUR 172.2 million at the end of June, providing a solid base to confirm our growth ambition for the year 2024. Out of this total secured revenue number, EUR 14.4 million is linked to Big Event Rental revenue.
- Based on the secured revenue for 2024 and the solid pipeline, but also taking into account the M&A transaction signed, the revenue guidance is increased from an initial range of EUR 180-195 million to EUR 190-200 million.
- The long-term order book - beyond 2024 - is growing to EUR 67.6 million, an increase of EUR 14.9 million compared to the beginning of the year 2024.
- The full-year EBIT guidance is increased from the initial range of EUR 38-45 million to EUR 40-46 million.
- Overall pipeline is strong, growing by 44% compared to last year, and confirms our ability to capture further growth in order intake in 2H24 as to prepare the year 2025.

Key figures

EUR millions, except earnings per share expressed in EUR	1H24 Reviewed	1H23 Reviewed	1H23 Adjusted (1)	Variance
Revenue	98.1	87.4	87.4	10.7
Gross profit	70.6	61.2	61.8	8.8
Gross margin %	*71.9%*	*70.1%*	*70.7%*	*+1.2 Pts*
Operating profit – EBIT	23.9	25.0	25.0	-1.1
Operating margin – EBIT %	*24.3%*	*28.6%*	*28.6%*	*-4.3 Pts*
Net profit (Group share)	21.8	21.2	21.2	0.6
Fully diluted earnings per share (Group share)	1.54	1.52	1.52	0.02

(1) Retrospective adjustment related to the change in accounting policy on the presentation of materials produced for internal purposes from inventory to other tangible assets, to allow comparability with 1H24. See details in Note 2.4.

Comments

Serge Van Herck, CEO, comments:

"I am proud to announce that 1H24 has marked a new milestone for EVS, with revenues reaching a new high of EUR 98.1 million. Our net profit has further grown to EUR 21.8 million, reflecting the continued success and execution of our PlayForward strategy that focuses on profitable and sustainable growth. Positive customer feedback on our latest solution launches like VIA-MAP, has significantly contributed to the expansion of our total pipeline, reinforcing our confidence in achieving yet another record-breaking year.

A notable highlight of this period is our successful support of key customers in delivering major sporting events earlier this year in Europe, contributing close to EUR 4.5 million to our Big Event Rental business. This achievement underscores our capability to handle large-scale, high-profile projects and further solidifies our reputation in the live production industry. Additionally, we are proud to announce the successful support and live production of another major international sporting event in Europe during this summer viewed by billions of people around the world, which will further boost our Big Event Rental business in the second half of the year.

Our growth in H1 has been primarily driven by the expansion of our Live Audience Business and Big Event Rental. We are also pleased to see strong revenue growth in two of our main markets, EMEA and NALA, which continue to drive our overall business expansion.

Furthermore, our Generative AI solutions, such as XtraMotion, are being increasingly utilized to enhance the emotional impact of slow-motion replays. These advanced solutions allow any type of broadcast camera to generate high-quality slow-motion footage, adding a new dimension to the viewing experience.

Our operational costs remain under control and are mainly increasing due to inflation, the expansion of our teams, and the depreciation of the capex investments we made over the past two years to develop our VIA-MAP solution. We are committed to maintaining a balanced approach to cost management while continuing to invest in key areas that drive our growth. While we are optimistic about our long-term prospects, we recognize the importance of being prudent in our financial and operational planning. Our focus remains on profitable and sustainable growth, ensuring operational efficiency, and maintaining a strong balance sheet to weather any potential disruptions.

This remarkable performance would not have been possible without the unwavering support of our customers, the dedication of our team members, the crucial contributions of our channel partners, and the expertise of EVS operators around the world. Each of these actors plays a vital role in our success.

Our recent announcement of the acquisition of MOG Technologies and our investment in Tinkerlist, will help us to further expand and support our future revenue ambitions.

Given our robust performance in the first half, we are confident that we will deliver a new revenue record this year. Consequently, we are increasing our revenue guidance for 2024 to a range of EUR 190 million to EUR 200 million. This optimistic outlook is a testament to the collective effort and commitment of everyone involved in our journey."

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

"The results of the 1st half of 2024 continue to underpin our growth trajectory. We confirm our continued growth track and this is reflected in our upgraded guidance.

We continue to optimize our financial discipline by enhancing the transparency of our reporting. We have implemented new ways of working, that will improve the comparison of our financial data. In this context, we have implemented a new accounting treatment to follow up on our internal assets and are improving our reporting when it comes to project revenue (see further comments).

Our gross profit evolution continues to be balanced, with nearly all solutions gaining ground in terms of profitability, demonstrating our ability to balance price increases, taking into account macro-economic challenges.

Our costs demonstrate a growing pattern, but are well controlled: we keep monitoring the balance of a company with growing needs and profitability. Our growing cost base is primarily invested in additional team members to ensure we capture the opportunities we see in the market. Our cost base is also influenced by the depreciation of past intangibles (IAS38), whilst we are closely monitoring the return of these investments. After the official commercial launch of the VIA-MAP on July 1st of 2024, we are currently deploying the first on-air installations of this new solution. We also identified multiple strategic must win opportunities, that we will be working on over the next few months.

We have started the development of one new intangible project, with a limited impact in 1H24 of EUR 0.5 million, linked to evolution of technology foundations balancing HW with SW capabilities.

Finally, our balance sheet remains strong with a very solid cash position and open receivables that demonstrate a very sound composure in terms of current versus aged receivables.

All these promising results lead to an upgrade of our guidance both in revenue and EBIT: the revenue guidance is set at EUR 190-200 million with an associated EBIT guidance of EUR 40-46 million. The acquisition of MOG Technologies is expected to contribute to our revenue performance in 4Q24 for approximately EUR 0.9 million, with a neutral contribution at EBIT level.

Technology

EVS continues to further develop its 3 solutions (LiveCeption, MediaCeption and MediaInfra) with continuous improvements in terms of production efficiency and flexibility.

Beyond XtraMotion, EVS will present at IBC new AI based effects that will be integrated as part of LiveCeption workflows. Thanks to these effects (cinematic & zoom), the Live Service Providers and the Live Audience Business customers will enhance the images from any camera.

VIA-MAP is bridging the gap between production and distribution: the workflows become more efficient and can be more automated. MediaHub benefits from new advanced search capabilities for the right-holders to retrieve faster the content they are looking for, allowing optimal monetization of their content.

MediaInfra proposes new capabilities in the form of Neuron View and Neuron Bridge to increase the level of flexibility. Thanks to a new Cerebrum module dedicated to resource management, customers can better and dynamically manage their resources as part of the workflows, again improving the overall efficiency.

The new pricing model supported by XT-VIA makes the replay server more relevant for budget productions at the same time allowing full flexibility to use different tiers of the same product later for a premium production.

Corporate topics

Earlier in August, EVS announced two transactions that will strengthen the EVS solutions:

- acquisition of 100% of the shares of MOG Technologies – a Portugal based company with around 50 highly skilled team members - renowned for its cloud and SW digital media and video production tools. Thanks to this acquisition, EVS will strengthen MediaCeption and MediaHub solutions. EVS will also have access to a pool of highly skilled talent and experts in the industry. The transaction closing still requires formal confirmations in the coming months, and the expected close date is set for 4Q24. MOG Technologies is expected to contribute to our revenue performance in 4Q24.
- acquisition of a minority stake position in the Belgian Company TinkerList, a leading innovator in the media production industry, having developed Cuez – the World's First Cloud-Based Rundown Management System – as a cutting-edge web application and automation system designed to connect seamlessly with a wide variety of production devices. TinkerList products will be enhancing the EVS Flexible Control Room and MediaCeption solutions through a strategic partnership in addition to the M&A transaction.

Beyond these M&A transactions, EVS continues to broaden the number of technology partners in its ecosystem to either ensure interoperability with 3rd-party systems or to include new capabilities in its solutions to simplify the operation of the ever more complex content factories.

EVS initiated a new evolution of its HW technology foundations for mid-term smooth evolutions of its products and solutions as a new IAS-38 intangible asset project.

Supply chain of electronic components remains a point of attention for the company, though the market is gradually stabilizing, considering the evolutions of the economy and the current geo-political tensions.

During the first part of the year, many EVS team members have been involved in various kinds of support (development of cutting-edge features, integration of 3rd-party systems, Quality Assurance, project management, local support, etc…) of the major summer events, helping the host broadcasters to broadcast the best images, continuously creating return on emotion.

In terms of governance, the leadership team has evolved with strategic promotions for Quentin Grutman and Nicolas Bourdon and the nomination of Oscar Teran, the 3 of them bringing a wealth of experience and deep understanding of our industry to deliver cutting-edge solutions and exceptional service to our global customer base. The rational for the evolution of the leadership team is to allow specific focus on strategic customer relationships, whilst driving global sales and marketing, and advancing product innovation.

Ecovadis, a renowned provider of business sustainability ratings, has granted EVS a Silver medal in acknowledgment of its top sustainability performance for the year 2023.

First half revenue

Revenue reached EUR 98.1 million in 1H24, representing an increase of EUR 10.7 million or 12.2% compared to 1H23.

The impact of exchange rate conversions was minimal, resulting in a growth of revenue at constant currency of 12.2% YoY. Taking out the seasonal impact of the Big Event Rental, the growth of 1H24 was of 7.2%.

Revenue – EUR millions	1H24	1H23	Variance
Total reported	98.1	87.4	12.2%
Total at constant currency	98.1	87.4	12.2%
Total at constant currency and excluding Big Event Rentals	93.6	87.3	7.2%

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

In the first half of the year, excluding Big Event Rentals, LSP represented 48% of the revenue (56% in 1H23) and LAB 52% (44% in 1H23). The trend demonstrated by this performance is reflecting the long-term growth patterns laid out in our PLAYForward strategic plan.

Geographically, revenues are distributed as follows in 1H24 (excl. Big Event Rentals):

- **Europe, Middle East and Africa (EMEA):** EUR 49.2 million (EUR 41.8 million in 1H23), growing 17.7% and reconfirming the strong growth in the region.
- **Americas (NALA):** EUR 34.1 million (EUR 28.6 million in 1H23), growing 19.2% continuing the strong performance since multiple quarters.
- **Asia & Pacific (APAC):** EUR 10.3 million (EUR 17.0 million in 1H23), decreasing -39.4%, impacted by the timing for the completion of major customers projects in the Region (large order delivered in 1H23 vs. similar project expected to be delivered in 2H24).

First half earnings

Consolidated gross margin was 71.9% for 1H24, compared to 70.7% in 1H23. This increase is a combination of changes in the presentation of certain elements, which were previously included in our inventory and are now classified as other tangible assets, an overall improvement in our Bill Of Material cost and the fact that 2024 is a Big events rental year, which has a positive impact on our consolidated gross margin.

Operating expenses increased by 23% YoY as a consequence of investments in resources (+42 FTE on average) made in the past 12 months as well as some transformation projects we are running as a company. All these investments are done to support our long term ambition. In addition to the impact related to team members, the increase in operating expenses is explained by the depreciation of internally developed intangible assets. Furthermore, as 2024 is a Big events rental year, additional expenses are required to support these events and ensure their success.

In terms of intangible assets, EVS continues to invest: a new intangible asset project was launched that should fuel our future growth. This investment represents EUR 0.5 million in 1H24. The projected spend is of EUR 5.9 million over a period of 3 years, with planned return on invest as of 2027.

The 1H24 EBIT margin remains strong at 24.3%, compared to 28.5% in 1H23: the strong revenue performance is coming with an increased cost base as a result of the hirings done over the past 9 months. The balance remains strong though and is in line with expectations.

Financial result in the period amounts to EUR 1.1 million, mainly driven by EUR/USD foreign exchange gains realized and unrealized, interest revenue and valuation gains on short term deposits and interests on leases to customers, partially offset by interest expenses mainly on office and car leases.

Income taxes are at EUR 3.1 million, compared to EUR 3.7 million last year: this decrease is driven by a reduction in current tax expenses linked to the change in the Transfer Pricing profile of our entity in the Netherlands, leading to a decrease in its profit before taxes and current taxes provision, and by a reduction in the deferred tax expenses linked to the consumption of the tax latencies from previous years in Belgium over the last 3 years, resulting in a reduced amount of deferred tax assets that can be utilized against future taxable profit compared to the same period last year.

The group net profit amounted to EUR 21.8 million in 1H24, compared to EUR 21.2 million in 1H23. Fully diluted earnings per share amounted to EUR 1.54 in 1H24, compared to EUR 1.52 in 1H23.

Team members

At the end of June 2024, EVS employed 642 team members (FTE). This is an increase by 35 team members compared to the end of June 2023. The average FTE grew by 42 comparing 1H24 to 1H23. The increase in team members reflects our continued investments in the growth of EVS.

Balance sheet and cash flow statement

EVS continues to have a strong balance sheet with net cash position of EUR 51.5 million with low debt level (of which EUR 12.5 million related to IFRS 16) resulting in a total equity representing 76% of the total balance sheet as of the end of June 2024.

Other intangible assets demonstrate the continued investments of EVS in specific projects that are scheduled to contribute to our topline in the future. The investments are according to the budgeted spend and the progress are on track.

Lands and building mainly include the headquarters in Liège as well as the right of use assets for the offices abroad (IFRS16). Six months depreciations on intangible assets, lands and buildings (including the right of use assets) and other tangible assets reached EUR 6.4 million. Liabilities include EUR 13.6 million of financial debt (including long term and short-term portions), mainly related to the lease liabilities for EUR 12.5 million and borrowings for EUR 1.1 million.

Inventories amount to EUR 33.8 million and include EUR 4.9 million of equipment allocated to the 2024 big event rentals.

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

The net cash from operating activities amounts to EUR 24.5 million during 1H24 compared to EUR 23.6 million during 1H23. On June 30, 2024, cash and cash equivalents total EUR 65.1 million compared to EUR 50.9 million on December 31, 2023. The increase is mainly explained by the operating results of the period, partially offset by dividend payments of EUR 8.1 million and investments in tangible and intangible assets of EUR 1.5 million.

At the end of June 2024, there were 14,327,024 EVS shares outstanding, of which 778,008 were owned by the company. At the same date, a total of 578,025 warrants were outstanding, including 43,900 warrants with an average exercise price of EUR 13.69 and a maturity of October 2026, 152,600 warrants with an average exercise price of EUR 18.21 and a maturity of June 2027, 182,625 stock options with an average exercise price of EUR 18.62 and a maturity of September 2028, and 198,900 stock options with an average exercise price of EUR 25.85 and a maturity of October 2029.

Corporate governance

During the last annual Ordinary General Assembly on May 21st, the shareholders have renewed the mandate of Johan Deschuyffeleer, independent director & President (representing The House of Value BVBA), Martin De Prycker, independent director (representing InnoConsult BVBA) and Michel Counson, managing director each respectively for a period of 4 years. The Board of Directors is currently composed of nine directors:

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

Second half outlook

Based on the secured revenue on June 30, 2024 at EUR 172.2 million (+8.5% growth compared to EUR 158.7 million last year at the same date), and based on the strong profit performance, we are confident to achieve our ambitions of profitable growth for the year 2024.

The results of the first semester, together with our perspectives for the following months, lead to an upgrade of our revenue guidance from an initial range of EUR 180-195 million towards a range EUR 190-200 million. At the same time, the EBIT range is also reviewed towards EUR 40-46 million (compared to an initial range of EUR 38-45 million)

Next to our progress on 2024, we also continue to build the future. In addition to secured revenue for 2024, EVS has secured a long-term order book worth EUR 67.6 million (EUR +14.9 million compared to the situation at the beginning of the year). Our pipeline is also promising, demonstrating a strong growth and allowing us to continue increasing our order intake on the full year basis.

Interim condensed consolidated financial information

Interim condensed consolidated income statement

(EUR thousands)	Notes	1H24 Reviewed	1H23 Reviewed	1H23 Adjusted(1)
Revenue	3	98,078	87,418	87,418
Cost of sales		-27,521	-26,180	-25,575
Gross profit		**70,557**	**61,238**	**61,843**
Gross margin %		**71.9%**	**70.1%**	**70.7%**
Selling and administrative expenses	4	-25,123	-21,321	-21,321
Research and development expenses	4	-20,644	-14,472	-15,077
Other income		120	106	106
Other expenses		-346	-64	-64
Profit-sharing plan and warrants		-714	-530	-530
Operating profit (EBIT)		**23,850**	**24,957**	**24,957**
Operating margin (EBIT) %		**24.3%**	**28.5%**	**28.5%**
Interest revenue on loans and deposits	5	241	81	81
Interest charges	5	-546	-429	-429
Other net financial income	5	1,158	101	101
Share in the result of the enterprise accounted for using the equity method		247	157	157
Profit before taxes (PBT)		**24,950**	**24,867**	**24,867**
Income taxes	6	-3,131	-3,679	-3,679
Net profit		**21,819**	**21,188**	**21,188**
Attributable to :				
Share of the group		**21,819**	**21,188**	**21,188**

EARNINGS PER SHARE *(in number of shares and in EUR)*	1H24 Reviewed	1H23 Reviewed	1H23 Adjusted(1)
Weighted average number of subscribed shares for the period less treasury shares	13,513,432	13,422,539	13,422,539
Weighted average fully diluted number of shares	14,123,516	13,909,789	13,909,789
Basic earnings – share of the group	**1.61**	**1.58**	**1.58**
Fully diluted earnings – share of the group (2)	**1.54**	**1.52**	**1.52**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR thousands)	1H24 Reviewed	1H23 Reviewed	1H23 Adjusted(1)
Net profit	**21,819**	**21,188**	**21,188**
Other comprehensive income of the period			
Currency translation differences	329	-199	-199
Total of recyclable elements	**329**	**-199**	**-199**
Gains / (losses) on remeasurement of defined benefit obligations, net of tax	0	0	0
Total of non-recyclable elements, net of tax	**0**	**0**	**0**
Total other comprehensive income of the period, net of tax			
Total comprehensive income for the period	**22,148**	**20,989**	**20,989**
Attributable to :			
Share of the group	**22,148**	**20,989**	**20,989**

(1) Retrospective adjustment related to the change in accounting policy on the presentation of materials produced for internal purposes from inventory to other tangible assets, to allow comparability with 1H24. See details in Note 2.4.

(2) The diluted earnings per share does include:

a. 187,000 warrants attributed in October 2020, of which 43,900 are outstanding at the end of the semester 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 at the end of the semester with an exercise price below the share price and maturity in June 2027;
c. 183,375 stock options attributed in September 2022, of which 182,625 are outstanding at the end of the semester with an exercise price below the share price and maturity in September 2028;
d. 198,900 stock options attributed in October 2023, all outstanding at the end of the semester with an exercise price below the share price and maturity in October 2029.

Interim condensed statement of financial position (balance sheet)

ASSETS (EUR thousands)	Notes	June 30, 2024 Reviewed	Dec 31, 2023 Audited	Dec 31, 2023 Adjusted [1]
Non-current assets :				
Goodwill		2,832	2,832	2,832
Other intangible assets	7	14,859	16,020	16,020
Lands and buildings		45,792	47,634	47,634
Other tangible assets		10,652	7,439	9,349
Investment accounted for using equity method		2,121	1,938	1,938
Other financial assets		431	495	495
Other amounts receivables		2,671	3,458	3,458
Deferred tax assets		4,765	5,203	5,203
Total non-current assets		**84,123**	**85,019**	**86,929**
Current assets :				
Inventories		33,829	33,001	31,091
Trade receivables		74,102	67,243	67,243
Other amounts receivable, deferred charges and accrued income		13,930	15,122	15,122
Other financial assets		296	244	244
Cash and cash equivalents		65,113	50,947	50,947
Total current assets		**187,270**	**166,557**	**164,647**
Total assets		**271,393**	**251,576**	**251,576**

(1) Retrospective adjustment related to the change in accounting policy on the presentation of materials produced for internal purposes from inventory to other tangible assets, to allow comparability with 1H24. See details in Note 2.4.

EQUITY AND LIABILITIES (EUR thousands)	Notes	June 30, 2024 Reviewed	Dec 31, 2023 Audited
Equity :			
Capital		**8,772**	**8,772**
Reserves		212,447	198,897
Treasury shares		-14,949	-17,174
Total consolidated reserves		**197,498**	**181,723**
Translation differences		1,134	805
Equity, attributable to the owners of the parent		**207,404**	**191,300**
Non-controlling interest		**-**	**-**
Total equity		**207,404**	**191,300**
Provisions		1,863	1,738
Deferred taxes liabilities		11	11
Financial debts	8	9,521	10,444
Pension benefit obligations and other debts		662	143
Non-current liabilities		**12,057**	**12,336**
Financial debts	8	4,116	3,896
Trade payables		10,399	10,681
Amounts payable regarding remuneration and social security		9,367	12,481
Income tax payable		1,282	1,393
Other amounts payable, advances received, accrued charges and deferred income		26,768	19,489
Current liabilities		**51,932**	**47,940**
Total equity and liabilities		**271,393**	**251,576**

Interim condensed statement of cash flows

	Notes	1H24 Reviewed	1H23 Reviewed
Cash flows from operating activities			
Net profit, share of the group		**21,819**	**21,188**
Adjustment for:			
- Depreciation and write-offs on fixed assets	4	6,423	3,568
- Profit-sharing plan and warrants	12	714	530
- Provisions		125	100
- Income tax expense		3,131	3,679
- Net financial expense (+) / income (-)		-852	247
- Share of the result of entities accounted for under the equity method		-247	-157
Adjustment for changes in working capital items:			
- Inventories		-4,128	-1,425
- Trade receivables		-6,073	-530
- Other amounts receivable, deferred charges and accrued income		1,280	-918
- Trade payables		-282	2,913
- Amounts payable regarding remuneration and social security		-3,114	-3,028
- Other amounts payable, advances received, accrued charges and deferred income		7,278	-314
- Conversion differences		1,184	-1,036
Cash generated from operations		*27,258*	*24,817*
Income taxes paid	6	-2,808	-1,224
Net cash from operating activities		**24,450**	**23,593**
Cash flows from investing activities			
Purchase of intangible assets	7	-570	-3,025
Purchase of tangible assets (lands and building and other tangible assets)	7	-1,277	-2,103
Disposal of tangible assets		25	-
Interests received		203	81
Other financial assets		72	-
Net cash used in investing activities		**-1,547**	**-5,047**
Cash flows from financing activities			
Repayment of borrowings	8	-556	-551
Payment of lease liabilities	8	-1,546	-1,460
Interests paid	8	-278	-273
Dividend paid		-8,128	-14,780
Sale of treasury shares		1,408	-
Net cash used in financing activities		**-9,100**	**-17,064**
Net increase (+) / decrease (-) in cash and cash equivalents		**13,803**	**1,482**
Net foreign exchange difference		363	-351
Cash and cash equivalents at beginning of period		**50,947**	**49,051**
Cash and cash equivalents at end of period		**65,113**	**50,182**

Interim condensed statement of change in equity

(EUR thousands)	Notes	Capital	Reserves	Treasury shares	Currency translation differences	Equity, group share	Total equity
Balance as at January 1, 2023		**8,772**	**183,390**	**-17,447**	**1,075**	**175,790**	**175,790**
Profit or loss			21,188			21,188	**21,188**
Other comprehensive income							
Total comprehensive income for the period			**21,188**		**-199**	**20,989**	**20,989**
Share-based payments	12		530			530	530
Operations with treasury shares	12		-273	273			
Final dividend	13		-14,780			-14,780	-14,780
Balance as per June 30, 2023		**8,772**	**190,055**	**-17,174**	**876**	**182,529**	**182,529**

(EUR thousands)	Notes	Capital	Reserves	Treasury shares	Currency translation differences	Equity, group share	Total equity
Balance as at January 1, 2024		**8,772**	**198,897**	**-17,174**	**805**	**191,300**	**191,300**
Profit or loss			21,819			21,819	21,819
Other comprehensive income					329	329	329
Total comprehensive income for the period			**21,819**		**329**	**22,148**	**22,148**
Share-based payments	12		714			714	714
Operations with treasury shares	12		-817	2,225		1,408	1,408
Final dividend	13		-8,128			-8,128	-8,128
Other allocation			-38			-38	-38
Balance as per June 30, 2024		**8,772**	**212,447**	**-14,949**	**1,134**	**207,404**	**207,404**

Notes to the interim condensed consolidated financial statements

NOTE 1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of EVS Group for the 6 month-period ended June 30, 2024, are established and presented in accordance with the International Financial Reporting Standards (IFRS), as adopted for use in the European Union. The condensed interim financial statements of the Group for the 6 month-period ending June 30, 2024, were authorized for issue by the Board of Directors on August 12, 2024. This interim report provides an explanation of events and transactions that are significant to an understanding of the changes in financial position and reporting since the last annual reporting period and should therefore be read in conjunction with the consolidated financial statements for the financial year ending on December 31, 2023. The interim condensed financial statements are prepared on a going concern basis.

NOTE 2.1: SIGNIFICANT ACCOUNTING POLICIES AND METHODS

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by the IASB, and as adopted by the EU. The accounting policies and methods adopted for the preparation of the Company's IFRS consolidated financial statements are consistent with those applied in the 2023 annual consolidated financial statements, with the exception of the change in accounting principle related to revenue from contracts with customers (see Note 2.3) and change in presentation of financial statements for inventories and other tangible assets (see Note 2.4). There are no other IFRS standards issued but not yet effective which are expected to have an impact on EVS financials.

NOTE 2.2: JUDGMENTS AND ESTIMATES

In preparing the Company's interim condensed consolidated financial statements, management makes judgments in applying various accounting policies. The areas of policy judgment are consistent with those followed in the preparation of EVS annual consolidated financial statements as of and for the year ended 31 December 2023.

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

As disclosed in the Company's 2023 annual consolidated financial statements, 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 projects in progress.

NOTE 2.3: CHANGE IN ACCOUNTING POLICY – REVENUE FROM CONTRACTS WITH CUSTOMERS

During the current interim period, the Group has changed its accounting policy regarding the determination of the percentage of completion for projects. Previously, the percentage of completion was determined in proportion to the total time expected to complete this type of projects at the end of the reporting period. As from January 1, 2024, the Group has adopted a new method for determining the percentage of completion based on fixed milestones.

The change in policy is implemented to better reflect the progress of completion and improve the reliability of revenue recognition. The new method provides a more accurate measure of the project's completion and aligns with industry practices.

This change does not materially affect the financial results for prior periods. The impact on FY 2023 financial statements would have been neutral (EUR 0 million).

NOTE 2.4: CHANGE IN PRESENTATION OF FINANCIAL STATEMENTS – INVENTORIES AND OTHER TANGIBLE ASSETS

During the current interim period, the Group has changed the presentation of materials produced for internal purposes in the condensed interim financial statements. Previously, these products were presented as Inventories. As of January 1, 2024, the Group has adopted a new presentation method whereby these items are now classified as Other tangible assets/fixed assets.

The change in presentation was made to enhance the clarity and comparability of the financial statements. The new presentation method provides more relevant information and better reflects the nature of the Group's financial assets and costs, aligning with industry's best practices.

The effect of this change on the 2023 financial statements would have resulted in a transfer of EUR 1.9 million from Inventories to Other tangible assets, reflecting the net value of these products. Additionally, it would have led to a reclassification of EUR 0.6 million of depreciation from the Cost of sales to Research and development expenses.

NOTE 3: SEGMENT REPORTING

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

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

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

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

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

Finally, sales are presented by nature: sale of equipment and other services.

3.1. Information on revenue by destination

Revenue can be presented by Market Pillar: “Live Service provider”, “Live Audience Business” and “Big event rentals”. Maintenance and after-sales service are included in the complete solution proposed to the customers.

Revenue (EUR thousands)	**1H24**	**1H23**	**% 1H24/ 1H23**
Live Audience Business	48,870	38,706	26.3%
Live Service Provider	44,714	48,628	-8.0%
Big event rentals	4,494	84	5,245.7%
Total Revenue	**98,078**	**87,418**	**12.2%**

See also Management discussion and analysis section for more information on revenue evolution.

3.2. 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 category “Big Event Rentals” which is not attributed to specific region.

Revenue for the YTD period (EUR thousands)	**APAC excl. events**	**EMEA excl. events**	**Americas excl. events**	**Big event rentals**	**TOTAL**
1H24 revenue	**10,256**	**49,235**	**34,093**	**4,494**	**98,078**
Evolution versus 1H23 (%)	-39.5%	17.8%	19.2%	5,248.5%	12.2%
Variation versus 1H23 (%) at constant currency	-39.5%	17.8%	19.3%	5,248.5%	12.2%
1H23 revenue	**16,956**	**41,787**	**28,591**	**84**	**87,418**

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 6 months, the group realized significant revenue with external customers (according to the definition of IFRS 8) in the United States (EUR 29.3 million), the United Kingdom (EUR 11.2 million), France (EUR 8.7 million) and Germany (7.4 million). See also Management discussion and analysis section for more information on revenue evolution.

3.3. Information on revenue by nature

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

Revenue (EUR thousands)	**1H24**	**1H23**	**% 1H24/ 1H23**
Sale of Equipment	84,077	77,902	7.9%
Other services	14,001	9,516	47.1%
Total Revenue	**98,078**	**87,418**	**12.2%**

Other services include advice, installations, project management, rentals, training, maintenance, and distant support. Work in progress ("WIP") contracts are included in both categories. The variance compared to 1H23 is mainly driven by increased Service Level Agreements (SLA), combined with other professional services linked to the increased revenue.

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

See also Management discussion and analysis section for more information on revenue evolution.

3.4. Information on important customers

Over the last 6 months, no external customer of the company represented more than 10% of the revenue (similar for the same period in 2023).

NOTE 4: SELLING & ADMINISTRATIVE EXPENSES AND R&D EXPENSES

(EUR thousands)	1H24	1H23	1H23 Adjusted(1)
Selling and administrative expenses	-25,123	-21,321	-21,321
Research and development expenses	-20,644	-14,472	-15,077
Total	**-45,767**	**-35,793**	**-36,398**

Total selling and administrative expenses and research & development expenses increased by 26% YoY as a consequence of investments in resources (+42 FTE on average) made in the past 12 months as well as some transformation projects we are running as a company. All these investments are done to support our long term ambition. In addition to the impact related to team members, the increase in operating expenses is explained by the depreciation of internally developed intangible assets. Furthermore, as 2024 is a Big events rental year, additional expenses are required to support these events and ensure their success.

(1) Retrospective adjustment related to the change in accounting policy on the presentation of materials produced for internal purposes from inventory to other tangible assets, to allow comparability with 1H24. See details in Note 2.4.

NOTE 5: OTHER NET FINANCIAL INCOME / (EXPENSE)

(EUR thousands)	1H24	1H23
Exchange results	1,252	-332
Other financial results	-95	433
Other net financial income	**1,158**	**101**

The functional currency of EVS Broadcast Equipment SA as well as all subsidiaries is the Euro, except for 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 10. The increase of the exchange result in 1H24 is mainly explained by the appreciation of USD vs. EUR in the period, resulting in a positive currency transactional impact on USD receivables, coupled with favorable currency impact on realized hedge transactions.

EVS systematically measures the group's anticipated exposure to transactional exchange risk, mainly relating to the EUR/USD risk. Given the group has a "long" position in USD and based on revenue forecasts, EVS hedges future USD net in-flows by forward or option foreign exchange contracts. The change in the fair value of the foreign exchange contracts is recorded directly to the income statement (other financial results) since the Group does not apply hedge accounting on these transactions. The valuation techniques used are mainly based on spot rates, forward rates and interest rate curves.

On June 30, 2024, the group holds EUR/USD FX forward and option contracts for a total notional amount of USD 41.0 million with monthly maturities between July 2024 and June 2026. The fair value of those financial instruments on June 30, 2024, amounts to EUR -0.5 million. See also note 9 – Fair value of the financial instruments.

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.

NOTE 6: INCOME TAX EXPENSE

(EUR thousands)	1H24	1H23
Current tax expense	-2,845	-3,179
Deferred tax expense	-286	-500
Income tax expense	**-3,131**	**-3,679**

Income taxe expense decreased during the first half of 2024 compared to the same period of 2023, even though profits before taxes remained stable. This is explained by a combined reduction in current and deferred tax expenses.

In the last quarter of 2023, EVS Netherlands adjusted its transfer pricing profile to fully integrate with the EVS group, aligning with the profiles of other entities and becoming a cost-plus entity. This change resulted in a decrease in the company's profit before taxes compared to the first half of 2023, leading to lower current tax expenses.

The tax deductions we could apply to our taxable profit in Belgium were previously made up of carried-forward losses, innovation box deductions, and R&D investment deductions. These deductions are subject to percentage or "million rule" limits, which restricts the amount that can be deducted annually. Over the past three years, we have exhausted our carried-forward losses and innovation box deductions. We now only have R&D investment deductions remaining from previous years, but we can only deduct 25% of these from our taxable income on a yearly basis. Consequently, this has resulted in a reduced amount of deferred tax assets utilized during the period compared to the same period last year.

The effective tax rate for the period ended June 30, 2024 is 12.5% (-2.4% vs. 1H23).

NOTE 7: INTANGIBLE AND TANGIBLE ASSETS

Intangible assets remained stable during the first half of 2024 as a result of the capitalization of internal development costs of EUR 0.6 million, partially offset by six months depreciation expenses of EUR 0.5 million.

The intangible capitalized costs in 1H24 include mainly the internal personnel costs and external consultants' costs related to the development phase of an important project that should secure future growth for EVS. This project consists in software and hardware that will be commercialized at the end of the development. The projected spend is of EUR 5.9 million over a period of 3 years, with planned return on investment as of 2027. The progress of these internal developments is monitored frequently as to ensure the future economic benefit remains assured.

Investment in tangible assets in the period mainly relates to IT infrastructure and network investments, combined with workplace improvement at various offices (Paris, Gilze, Liège).

NOTE 8: FINANCIAL LIABILITIES

(EUR thousands)	June 30, 2024	December 31, 2023
Long term financial debts		
Bank loans	-	561
Long term lease liabilities	9,521	9,883
Amount due within 12 months (shown under current liabilities)		
Bank loans	1,119	1,114
Short term lease liabilities	2,997	2,782
Total financial debt (short and long-term)	**13,637**	**14,340**
The total financial debt is repayable as follows:		
- within one year	4,116	3,896
- after one year but no more than five	9,521	10,444
- more than five years	-	-

In June 2020, a loan of EUR 5.5 million and 0.84% fixed interest rate was put in place with BNP Paribas Fortis to partially finance the acquisition of Axon. In June 2024, EVS reimbursed EUR 0.6 million including interest. The repayment schedule foresees a first repayment of EUR 0.6 million in 2020, annual installments of EUR 1.1 million between 2021 and 2024 and final repayment of EUR 0.6 million in 2025 at loan maturity.

During the first six months of 2024, lease liabilities variation includes repayment of EUR 1.5 million (EUR 1.5 million for the same period in 2023), excluding interest of EUR 0.3 million (EUR 0.3 million for the same period in 2023).

NOTE 9: FAIR VALUE OF THE FINANCIAL INSTRUMENTS

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

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

- Cash and cash equivalents and short-term investments, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;

- Long term fixed rate and variable rate other assets are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are made to account for the expected losses of these receivables. As at June 30, 2024, 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 June 30, 2024, 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 June 30, 2024, the Group held the following financial instruments measured at fair value:

(EUR thousands)	June 30, 2024	December 31, 2023
Assets measured at fair value		
Financial assets at fair value through profit or loss		
Foreign exchange contracts – no hedge accounting	-543	206

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

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

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

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

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

NOTE 10: EXCHANGE RATES

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

Exchange rate **USD/EUR**	**Average 1H**	**At June 30**
2024	1.0813	1.0705
2023	1.0807	1.0938
Variation	*0.1%*	*-2.1%*

Exchange rate **GBP/EUR**	**Average 1H**	**At June 30**
2024	0.8546	0.8464
2023	0.8764	0.8640
Variation	*-2.5%*	-2.0%

NOTE 11: HEADCOUNT

(in full time equivalents)	**At June 30**
2024	642
2023	607
Variation	*+35*

At the end of June 2024, EVS employed 642 team members (FTE). This is an increase by 35 team members compared to the end of June 2023. The average FTE grew by 42 comparing 1H24 to 1H23. The increase in team members reflects our continued investments in the growth of EVS.

NOTE 12: EQUITY SECURITIES

The number of treasury shares and outstanding warrants has evolved in the period as follows:

	2024	2023
Number of own shares at January 1	**893,820**	**908,014**
Acquisition of own shares on the market	-	-
Sale of own shares on the market	-	-
Allocation to Employees Profit Sharing Plans	-12,962	-14,194
Sale related to Employee Stock Option Plan (ESOP) and other transactions	-102,850	-
Number of own shares at June 30	**778,008**	**893,820**
Outstanding warrants at June 30	**578,025**	**484,725**

During 1H24, the Group did not repurchase own shares on the stock market. A total of 102,850 shares were used to satisfy the exercise of warrants by employees for the 2020 employee stock-option program for which the exercise period started on January 1, 2024.

The Ordinary General Meeting of shareholders of May 21, 2024, approved the allocation of 12,962 shares to EVS employees (grant of 36 shares to each staff member in proportion to their effective or assimilated time of occupation in 2023) as a reward for their contribution to the Group successes.

NOTE 13: DIVIDENDS

The Ordinary General Meeting of May 21, 2024, approved the payment of a total gross dividend of EUR 1.10 per share for the year 2023. The table below summarizes the dividend payments performed in 2023 and year-to-date 2024.

(EUR thousands)	# Coupon	Declaration date	2024	2023
- Final dividend for 2022 (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
- Final dividend for 2023 (EUR 0.60 per share excl. treasury shares)	36	May 2024	8,128	
Total paid dividends			**8,128**	**21,497**

The Group implemented the dividend policy announced earlier by distributing an interim dividend for 2023 of EUR 0.50 per share in November 2023 and a final dividend of EUR 0.60 per share in May 2024. The latest dividend guidance issued in 2022 foresees total annual dividend distribution of EUR 1.10 per share in 2024, subject to market conditions and to the approval of the Ordinary General Meeting of Shareholders.

NOTE 14: RISKS AND UNCERTAINTIES

Investing in the stock of EVS involves risks and uncertainties. The risks and uncertainties relating to the remainder of the year 2024 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 15: RELATED PARTIES TRANSACTIONS

During 1H24, the members of the executive management, considered as related parties, received a total amount of EUR 1,008,260 (EUR 1,030,382 for the same period in 1H23, including an additional exceptional bonus of EUR 50,000 granted in accordance with the procedure offered in the remuneration policy). The increase in the base compensations compared to last year is mainly explained by the adaptation of the renumeration of the executive management applied in November 2023.

The total number of transactions which have been entered into with affiliates that are not fully consolidated is presented below. 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	1H24	-	-501	-	-
	1H23	-	-255	-	-
Total	**1H24**		**-501**		**-**
	1H23	**-**	**-255**	**-**	**-**

NOTE 16: LITIGATIONS AND COMMITMENTS

No important changes occurred during the first 6 months of 2024 relating to litigations and commitments.

NOTE 17: SUBSEQUENT EVENTS

On August 2nd, 2024, the Group announced the full acquisition of MOG Technologies as well as the acquisition of a minority stake position in company TinkerList.

MOG Technologies, based in Portugal, is composed of around 50 highly skilled team members and is renowned for its cloud and software digital media and video production tools. Thanks to this acquisition, EVS will strengthen MediaCeption and MediaHub solutions. EVS will also have access to a pool of highly skilled talent, experts in the industry. MOG Technologies generates an annual revenue of approx. EUR 4 million. The acquisition represents a value, including an earn-out mechanism, totaling less than EUR 5 million. The transaction is subject to certain closing conditions, which are expected to be fulfilled by Q4 this year.

TinkerList is a leading innovator in the media production industry, having developed Cuez – the World's First Cloud-Based Rundown Management System – as a cutting-edge web application and automation system designed to connect seamlessly with a wide variety of production devices. TinkerList products will be enhancing the EVS Flexible Control Room and MediaCeption solutions through a strategic partnership in addition to the minority stake. The transaction value, including capital increase and a convertible loan, represents a total investment of less than EUR 3 million.

Certification of responsible persons

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

Certify that, based on their knowledge,

a) the interim condensed consolidated financial statements, established in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets, financial position and results of the EVS Group,

b) the Management Discussion and Analysis presents a fair overview of important events and significant transactions with related parties and their impact on the interim condensed consolidated financial statements, as well as a description of the primary risks and uncertainties that the Company faces.

* acting on behalf of a BV

Auditor’s Report

Statutory auditor's report to the board of directors of EVS Broadcast Equipment SA on the review of the condensed unaudited consolidated interim financial information as at 30 June 2024 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of EVS Broadcast Equipment SA as at 30 June 2024, the condensed consolidated income statement, comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes (“the condensed consolidated interim financial information”). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2024 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Diegem, 13 August 2024

EY Réviseurs d’Entreprises SRL
Statutory auditor
represented by

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

Ref:

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

Bill of material cost: The bill of material cost includes all components and parts required to produce the revenue. It does not include labor.

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 is derived by subtracting current liabilities from total assets.

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.

Days of sales outstanding: Days sales outstanding (DSO) is the average number of days it takes a company to receive payment for a sale.

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, Depreciations & Amortizations, 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 a 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 Earnings Before Interest & Tax 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.