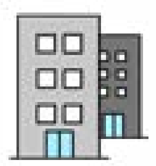
ANNUAL REPORT 2020


EVS.COM

WE ARE **EVS**

EVS is a Belgian company, headquartered in Liège, with over 550 team members working in 20-plus offices and development centers all over the world. Founded in 1994, the company has revolutionized live sports.

WHO ARE WE?



Leading provider of video solutions for the live video industry.

WHAT DO WE DELIVER?

Innovative solutions for live video production, replay and highlights, asset management, live switching, and distribution infrastructure, video assistance and professional services.

WHO ARE OUR CUSTOMERS?

Broadcasting and media networks, production facility and service providers, sports organizations including federations, leagues and clubs, and esports organizations.

We create return on emotion! EVS is a key player in the industry today, boasting a wide range of solutions that covers the entire live production cycle. Through its unique expertise in live video production technology, innovation capabilities and unmatched level of customer support, EVS helps its customers maximize the value of their media content and create the most engaging viewing experiences.

CONTENT

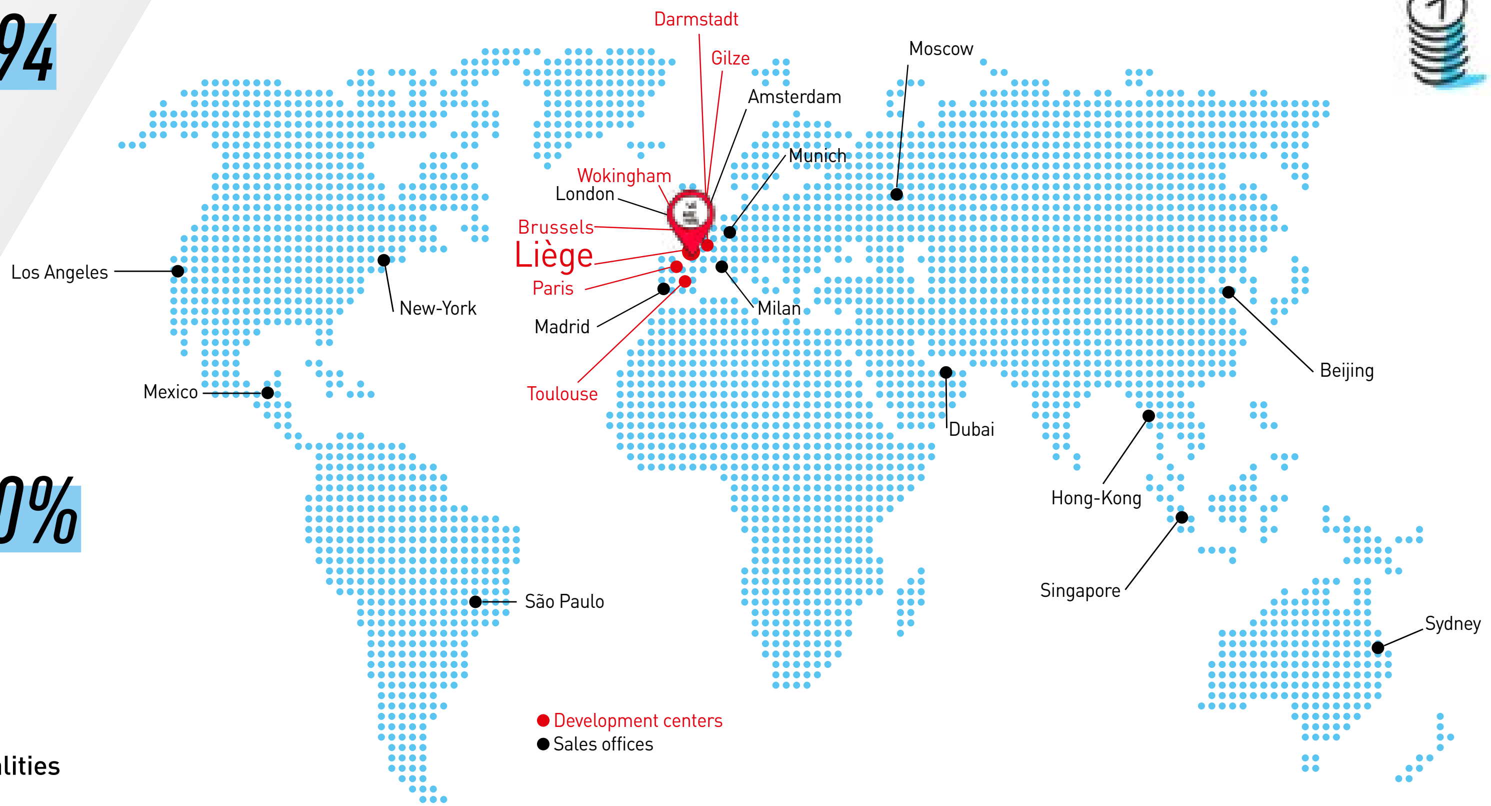
INTERNATIONAL
footprint

HQ in **LIÈGE**
Belgium

€88.1M
Revenue in 2020

Founded in
1994

€5.7M
EBIT 2020



~50%
R&D

36
nationalities

550
full time equivalent EOY 2020

Publicly traded since
1998

2020, A YEAR OF CHALLENGES, *ACHIEVEMENTS AND TEAM GROWTH*

Appointed as the CEO of EVS in September 2019, Serge Van Herck was faced with the unexpected challenge of leading the company through the Covid-19 crisis in 2020. In this interview, Serge gives us an insight into how EVS successfully navigated the pandemic, talks about the company's 2020 accomplishments, and discusses the priorities for EVS in the years to come.

> TRUE TO OUR CUSTOMER-CENTRIC NATURE, WE REMAINED CLOSE TO OUR CUSTOMERS ALL THE WAY, HELPING THEM GET THROUGH 2020 DESPITE THE MANY CHALLENGES AND ENSURE THEIR BUSINESS CONTINUITY.
>
> SERGE VAN HERCK

SERGE VAN HERCK – CEO

HOW DID EVS REACT TO THE PANDEMIC?

2020 was my first full year as CEO, and a year that was challenged by the pandemic. Together with the new leadership team, we remained focused on our PLAYForward strategy that we started to deploy early 2020. We have a clear direction and ambition in mind, and this is clearly why we managed to stay afloat and limit the financial impact. True to our customer-centric nature, we remained close to our customers all the way, helping them get through 2020 despite the many challenges and ensure their business continuity. We also took every possible measure to ensure that our team members felt safe and supported as they adapted to a new way of working.

LOOKING BACK AT 2020, WHAT ARE SOME OF EVS' MOST NOTABLE ACHIEVEMENTS?

Despite the challenges of the pandemic, I can say I am happy with what we have managed to achieve at EVS. The first most notable event was the acquisition of broadcasting network specialist Axon in May, a direct result of our PLAYForward strategy. May also saw the launch of our new LSM-VIA replay and highlights system, a historic milestone for EVS. LSM-VIA is now already highly acclaimed in our industry and has proven its efficiency for remote production. On that topic, I would like to say I am extremely proud of the way we helped our customers seamlessly transition to remote workflows, enabling many operators to work safely from their home. And last but not least, not only did we manage to keep all our EVS colleagues on board, but we also actually increased the total number of team members. With half of our workforce in R&D, we are clearly continuing to invest in the future of our products and solutions.

WHAT LESSONS HAVE YOU LEARNED DURING THIS PANDEMIC?

The ability to work virtually and productively has been proved at EVS. I was very happy to see how fast our team members adapted to the new homeworking situation, and the results of our satisfaction survey launched in June even showed an increase in team member satisfaction compared to the year before. Based on this positive experience, I can already say that partial homeworking will become the new normal at EVS, as we wish to offer our team members a better work-life balance and reduce the carbon footprint linked to travels at the same time.

The second lesson I learned is that business travel will never go back to pre-2020 levels. We are now doing demos remotely, which is much more efficient, since we are able to conduct several demos in the same day, and in different time zones.

Finally, I have learned that keeping our strategy at the forefront of our minds is essential, even and especially in times of uncertainty. We have pursued our goals and moved on with certainty, and that is what has kept us on track.

Panel interview with Serge and Johan

WHAT ARE THE PRIORITIES FOR THE YEARS TO COME?

EVS will continue to help its customers adapt to new trends and changes in the industry, focusing for instance on the transition to IP and supporting certain broadcasting workflows evolving into the cloud. This shift towards an ever more virtual world means that the issue of cybersecurity will become increasingly important in the years to come. Innovation will play a key role in the development of our products and solutions. Artificial Intelligence will remain the focus of our attention, to improve the quality of our customers' productions and reduce the total cost of ownership.

We will also further improve our offering through strategic partnerships and through additional acquisitions. Another priority for the years to come is to strengthen our Channel Partners Program, by increasing the number of our partners and nurturing our relationship with them.

FINALLY, WHAT VALUE DO WE BRING TO OUR CUSTOMERS AND BUSINESS PARTNERS?

Peace of mind and a lower total cost of ownership. We offer peace of mind to our customers, who rely fully on the quality of our solutions and on the level of support we provide. We help reduce their total cost of ownership by enabling efficient workflows that optimize the quality of their live productions.

JOHAN DESCHUYFFELEER - CHAIRMAN OF THE BOARD OF DIRECTORS

AFTER 12 MONTHS AT EVS AS CHAIRMAN OF THE BOARD, WHAT ARE YOUR VIEWS ON THE COMPANY?

EVS HAS A STRONG REPUTATION AND IS ESPECIALLY RENOWNED FOR THE RELIABILITY OF ITS PRODUCTS AS WELL AS THE UNWAVERING COMMITMENT OF ITS TEAM MEMBERS, WHO ARE ALWAYS WILLING TO GO THE EXTRA MILE WHEN IT COMES TO CUSTOMER SATISFACTION. EVS IS ALSO A FORWARD-THINKING COMPANY, WHICH FOCUSES ON THE DEVELOPMENT OF NEW PRODUCTS AND SOLUTIONS THAT BETTER SERVE THE CHANGING NEEDS OF THE INDUSTRY. I'M IMPRESSED WITH THE WAY EVS HAS HANDLED THE CHALLENGES BROUGHT ABOUT BY THE PANDEMIC AND THE WAY IT MANAGED TO LIMIT THE FINANCIAL IMPACT. I HAVE LEARNED SO MANY THINGS IN MY FIRST YEAR AT EVS AND I HAVE COME OUT WITH A VERY POSITIVE FEELING OVERALL. TOGETHER WITH THE LEADERSHIP TEAM AND THE MEMBERS OF THE BOARD, WE ARE FOCUSED ON MAKING SURE THAT EVS REMAINS A STRONG AND PROFITABLE COMPANY FOR THE YEARS TO COME.

JOHAN DESCHUYFFELEER

2020 **HIGHLIGHTS**

#1

MediaHub Australia upgrades to IP with EVS' Media Infrastructure solutions

MediaHub Australia selected EVS' Media Infrastructure solutions as the cornerstone of its upgraded in-house master control room (MCR). The leading broadcasting services provider is one of EVS' newest customers following the acquisition of Axon, confirming the strategic importance of the deal that was signed in May 2020.

Thanks to the Cerebrum broadcasting and monitoring system, MediaHub Australia is now able to master multiple workflows, offering total control and customization over complex setups designed by the many broadcasters it works with. Neuron, EVS' advanced IP stream processing platform, supports various advanced video processing capabilities such as frame synchronization, up/down conversion, color correction, HDR conversion, audio (de)embedding and audio shuffling. This ensures that any crew located inside MediaHub Australia's MCR can easily bridge the gap between baseband SDI and any type of IP media streams and take advantage of the wide range of functions available to them in an instant.

"We now have dynamic flexibility in processing and monitoring various types of streams from ASI, IP compressed, SDI, IP uncompressed and various video flavors including HD, SD, UHD-4K, HDR, SDR and audio formats - all while maintaining MediaHub's high SLA and quality standards. It really is the best solution available by far," said Simon Scott, Executive Head of Technology at MediaHub.

#2

Canal+ turns to EVS for major media infrastructure overhaul

Canal+ deployed Cerebrum, the highly advanced broadcasting control and monitoring system, to centralize and streamline its broadcasting operations and to provide the flexibility to control both legacy SDI products and modern IP equipment. The new EVS media infrastructure enables Canal+ to create a completely new workflow to optimize the management of the incoming feeds, their processing and routing. EVS has also developed a new license option for Cerebrum called CRBM Scheduler, which provides Canal+ with a bespoke timeline for its scheduled events.

"We needed a comprehensive media infrastructure solution that would give us the control and flexibility needed, during this exceptional transformation period, to provide the high-quality content our viewers expect in the most efficient way possible, and we have found that with EVS," said Ralph Atlan, CTO at Canal+.

#3

Danish Football Union selects NEP and EVS' Xeebra for Superliga VAR rollout

EVS was chosen by NEP Denmark to provide exclusive VAR capabilities to the Danish League for its top football tier, the 3F Superliga. For this project, NEP deployed custom-built VAR vans, each equipped with a Xeebra multi-camera review system by EVS. Each system supports up to 16 cameras, including Super Motion cameras, and provides instant access to all camera angles during a match, which means that reviews can be completed quickly, efficiently and in complete synchronization.

As part of the Xeebra deployment, EVS also supplied its AI-driven virtual offside line, to automatically calibrate the field of play and produce a virtual offside line in real time.

"VAR is a game-changing technology and implementing it efficiently requires a certain investment. EVS' Xeebra stands out in the market with its FIFA-certified AI-driven offside line technology and intuitive controls that are easy to use and don't compromise on quality. The extensive support and partnership from EVS and NEP in installing the solution for the 3F Superliga has also been excellent and we look forward to seeing how the season ahead will unfold," said Claus Thomsen, CEO of the Danish League.

#4

EVS launches its new LSM-VIA replay and highlights system

On May 26, 2020, EVS launched its brand-new LSM-VIA, which evolved from its iconic LSM live slow-motion controller. Designed in close collaboration with EVS' community of operators, the IP-based replay and highlights system gives production facilities and service providers the tools they need to tell the live stories they want with amazing flexibility, greater functionality and fewer keystrokes. The new system leverages the benefits of EVS' VIA microservices platform and comes with native IP connectivity, opening up new flexible workflows, including the possibility for operators to work from anywhere on the network. Operators benefit from faster and direct access to all the content on the live production network for higher levels of efficiency and collaboration.

EVS CCO Quentin Grutman said: "With LSM-VIA, we're reinventing the operation, workflows and deployment of live production replays to enable more creativity while optimizing operators' resources and talents".

#5

PILGERfilm selects EVS' X-One system to produce and stream American football and ice hockey games

Austrian production company PILGERfilm was looking for a stable, professional, and compact production system that could deliver broadcast-quality results at lower cost in order to produce and stream games of the Austrian American Football League and the Innsbruck Sharks ice hockey team. EVS' X-One unified live production system ticked all the boxes.

The award-winning X-One system allows up to two operators to perform all the operations needed for a production from a set of intuitive interfaces. It is designed specifically for smaller-scale productions using up to six cameras that do not have the budget to use large OB vans, but do not want to compromise on the quality of the playout.

By using X-One, PILGERfilm has been able to bring niche sports and lower-league games into the spotlight by allowing their coverage even during the pandemic. As Lukas Pilger explained: "Many games continue to take place without spectators during this pandemic, but fans are still eager to watch their teams. X-One lets us produce and stream these games easily, with a setup that is very simple. You connect the cameras and then you are basically ready to go."

"We are very happy with the X-One system. In the face of the many challenges of live sport, it offers opportunities for companies like PILGERfilm that go beyond just live coverage," he concludes.

#6

EVS complements its live production solution portfolio by acquiring Axon

On May 1st, 2020, EVS announced the acquisition of Axon Digital BV, a broadcasting network infrastructure specialist based in the Netherlands. This acquisition, the largest in EVS' history, allows EVS to offer its customers the most extensive live production infrastructure on the market, with optimized resource management, greater scalability and faster deployment across multiple sites for remote live operations. Customers benefit from turnkey solutions that enable them to smoothly migrate their infrastructure towards IP and remote production-based workflows.

#7

EVS releases XtraMotion super-slow-motion service following successful trials with FOX Sports

EVS officially released XtraMotion, a cloud-based, on-demand service that uses artificial intelligence to transform any video content into super-slow-motion replays. The XtraMotion process works for any production format – from 1080i to UHD/HDR - and any original framerate, transforming a 60fps video into a very smooth 180fps video as well as a native 180fps into a 540fps video. It also works on post and archived content. Tightly integrated within the existing EVS replay and post-production environment, EVS operators can seamlessly clip any content from any camera, render it to super-slow-motion and play it back to air in seconds.

"When we tested EVS' XtraMotion at the Super Bowl last year, it delivered spectacular results and has continued to show a lot of potential, so it seems only natural to use it on more of our productions moving forward," said Mike Davies, SVP, Field and Technical Management and Operations, Fox Sports. "Storytelling is always top of mind at FOX Sports and applying the XtraMotion effect onto our increasing number of specialty cameras really helps us give that extra visual wow factor to our productions."

EVS **STRATEGY**

In late 2019 - early 2020, over 35 EVS team members took part in our PLAYForward strategy exercise to jointly agree on our growth ambitions and team objectives.

OFFERING THE BEST LIVE CREATION FLEXIBLE SOLUTIONS

One thing we have learned with the pandemic is that "flexibility" is the key to adapting live broadcasting and media to the new reality. At EVS, flexibility is translated into a series of solutions structured around own and 3rd party-certified components, products and services offered to customers, integrators and app developers or EVS project teams to adapt to new production and live operating constraints, while ensuring maximum reliability and velocity.

Thanks to the ongoing modernization of our EVS UX, production platform and flexible infrastructure building blocks, customers can benefit from solutions embedding the latest technologies such as IP, Artificial Intelligence, Virtualization, Micro-services, Cloud readiness and open APIs.

ADDRESSING A LARGER CUSTOMER BASE, ESPECIALLY FOR THE LAB MARKET

EVS is well known for the quality of its replay technology, mostly applied in sports. Reducing EVS to replays, however, fails to do justice to the range of sports solutions available...

EVS proposes end-to-end sports production workflows for both Live Service Providers and Live Audience Business customers, inspired by the solutions – including Production Asset Management – deployed during major summer events.

Based on our modernized VIA technology building blocks, EVS now offers solutions for news and entertainment production workflows deployed by Live Audience Business customers. The strategy highlights the opportunity to grow the customer base in these other workflows based on our key references already established on the markets concerned.

However, the needs of a major US network differ from those of smaller players in other regions. Various EVS solutions have therefore been designed to ensure relevance with the needs of various customers in terms of both scope and price.

Thanks to the acquisition of Axon, EVS is also better placed to attract more customers through the deployment of powerful and flexible media infrastructure solutions.

EVS plans to grow and strengthen its relationship with channel partners to broaden the range of customers that could benefit from the new and varied range of EVS solutions.

LEVERAGING SOFTWARE TO OFFER NEW FLEXIBLE BUSINESS MODELS

Over the past few years, EVS has extended its portfolio to include more SW solutions alongside our HW solutions. The vast majority of the EVS solution component portfolio is now available as a virtual machine or container that can be deployed on COTS (Commercial-Off-The-Shelve) hardware. EVS offers its customers the option of buying either these components with underlying EVS optimized hardware or pure software to be deployed in a datacenter or in the cloud.

Thanks to these developments, EVS offers customers the possibility of buying the systems in CAPEX or in OPEX FLEX mode. With this FLEX model, customers buy a subscription and can therefore progressively scale their licenses up and down in line with their needs. The FLEX model includes the highly appreciated services linked to EVS Service Level Agreement as standard.

Customers are free to decide between CAPEX and OPEX on the basis of their financial constraints or targets. EVS ensures that whatever business model is chosen, it makes a positive contribution to the profitability of the company.

EVS expects a smooth transition from CAPEX to OPEX, possibly accelerated by the impact of the COVID-19 crisis on the financial situation of some customers.

BROADENING THE SCOPE THROUGH STRATEGIC PARTNERSHIPS

During our PLAYForward exercise, the team designed a solution blueprint as a reference for future developments. Not all components will come through organic growth. Some solution components will originate in strategic partnerships and/or acquisitions, as was demonstrated by the takeover of AXON N.V. on May 1st, 2020.

FOCUS ON **REMOTE PRODUCTION**

In 2020, EVS customers were forced to adapt their practices and to produce programs, whether news, entertainment or sports, remotely. During the year, EVS prioritized the development of remote production workflows and capabilities to support its customers. EVS also launched LSM-VIA on May 26th as a pivot point for the remote production lever.

REMOTE PRODUCTION AS PART OF THE DNA OF ALL EVS SOLUTIONS

EVS puts forward various solutions, all of which support different remote production models.

The first model involves "distant remote production". The equipment is installed at the venue or in an OBVan. The operating staff is centralized so that they can produce several events in a row and the customer saves costs on travels and expenses. This requires a good connection with high reactivity and decent bandwidth. This model is the most robust and best able to withstand telecom problems. There is always one person on site who can go ahead with minimal operation.

The second model is called "centralized production". All camera signals are brought back to a central place. This requires much more bandwidth and therefore a more powerful network, but the equipment in the broadcasting center can be used for more productions than in the past.

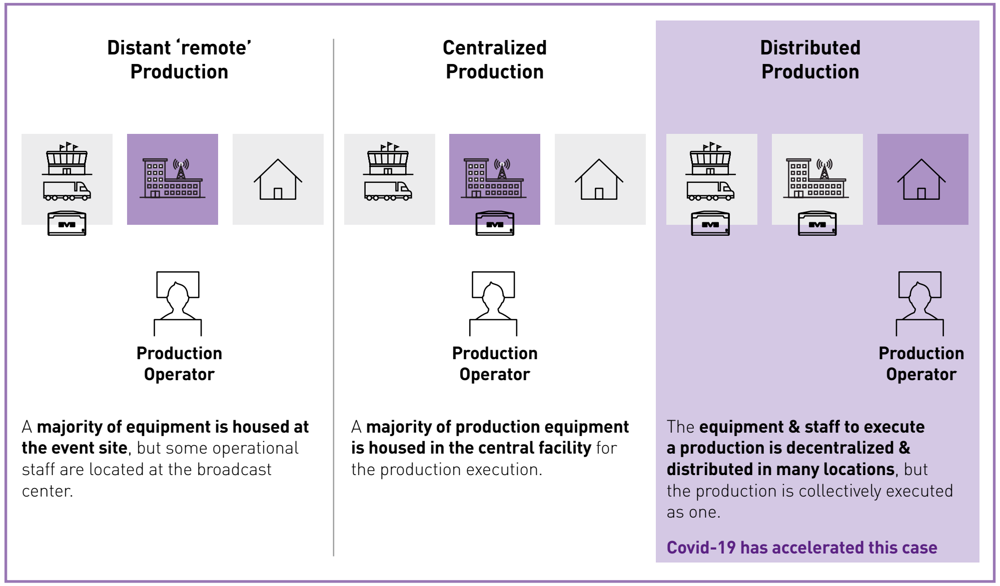
The last model is related to a complete distribution of resources between venues, datacenter and cloud. The staff can even operate at home. It encompasses the first two models. This last model has been accelerated during lockdown periods with operators producing from home.

The choice of the remote production model also depends on telecom constraints (connectivity, bandwidth, latency and cost). The customer's objective is to reduce the cost per production and increase efficiency so as to produce more with the same equipment and staff.

All EVS solutions are designed to support any remote production model, ensuring the best experience for the operators producing the content, bearing in mind the constraints involved.

IAN HOLLAMBY
R&D MANAGER, UK
EVS MEDIA INFRASTRUCTURE

Remote Production, Cerebrum interview with Ian Hollamby



LSM-VIA AS A KEY COMPONENT

On May 26th, EVS launched LSM-VIA, the new replay and highlight remote control unit for replay operators – also known as EVS operators – to drive XT-VIA servers and more products in the future.

The launch of LSM-VIA was a major step forward for EVS. LSM-VIA is the new version of the legendary EVS remote that is seen on all OBVan pictures running most of the live sports replays ... and much more. LSM-VIA has been co-created with operators over the past few years to guarantee its success and the quality of the response to the challenges faced by operators.

LSM-VIA retains the best of the legend, with the exact same feeling thanks to the same jog and lever, the same functions and the same robustness.

Its native IP connectivity, as proven during various live events around the world, makes LSM-VIA a critical component of remote production workflows.

LSM-VIA is a component of "standard live solutions" that fosters the development of custom workflows thanks to the program-mability of the shortcuts, for example allowing a clip to be published on social networks directly by the EVS operator without any other human intervention. It couldn't be any faster!

Overall, as feedback received since the launch confirms, LSM-VIA enhances convenience and improves productivity for EVS operators.

LSM-VIA

The new EVS remote for replay & slow motion

Keeping the best of the legend :

- SAME FEELING WITH JOG & LEVER
- SAME FUNCTIONS
- SAME ROBUSTNESS

And then futher enhance it with :

- IP & SCALABILITY
- TOUCH SCREEN, SHORTCUTS & PROGRAMMABILITY
- MANY MORE FUNCTIONS FOR MORE CONVENIENCE

For easier remote production, faster highlights & custom workflows

1 TOUCHSCREEN
2 GENERAL KEYS
3 SHORTCUT KEYS
4 FUNCTION KEYS
5 LEFT OPERATIONAL BLOCK
6 RIGHT OPERATIONAL BLOCK
7 LEVER
8 BOTTOM OPERATIONAL BLOCK
9 JOG

RE-BRANDING : SOLUTIONS
LEVERAGING MEDIA INFRASTRUCTURE

As a result of our PLAYForward exercise, EVS has decided to focus on solutions to be sure that all products are leveraging the assets, the fundamentals and the consistency of the VIA platform to provide the highest value to our customers. Following the acquisition of Axon, the footprint of EVS solutions has naturally been broadened in the field of media infrastructure.

These solutions can address the three main market pillars: Live Audience Business, Live Service Providers and Big Events Rental.

LIVECEPTION

The "LiveCeption Signature" solution is intended especially for Premium replays and embraces products such as XT-VIA, LSM-VIA and the tools needed to enhance replays and ensure smooth operation.

"LiveCeption Pure" was created in 2020 around XT-GO for smaller OB Vans aimed at producing replays and highlights for events with a smaller number of cameras. Thanks to the integration with IPDirector and the possibility of combining two XT-GOs, EVS now provides a very compelling solution for customers focusing on cost-efficiency.

MEDIACEPTION

MediaCeption Sports solutions cover the needs of remote and collaborative Production Asset Management for Sports Production Operation Centers, integrating fast turn-around and post-production workflows, enhanced during 2020 to include IPD-VIA.

MediaCeption Prime solutions support the ingest of various content formats integrated within Entertainment workflows.

MEDIA INFRASTRUCTURE

Media Infrastructure solutions cover comprehensive IP and/or SDI routing functions leveraging the Axon product portfolio integrated with the EVS Score Master SDN routing element.

Media Infrastructure Live Media Processing solutions offer a wide variety of stream processing functions for both SDI and IP, including the 100G Neuron Network Attached Processing platform and all its products deployed in a virtualization model.

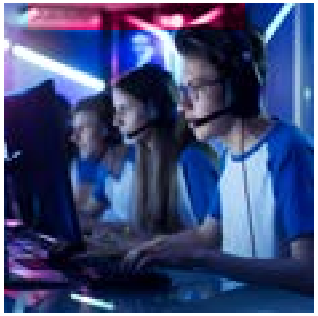
... STRUCTURED AROUND VIA PLATFORM & CEREBRUM CENTRALIZED CONTROL

The VIA platform provides a federating layer for the various EVS products to support end-to-end workflows based on consistent technologies and experience.

As a centralized Control System, Cerebrum – which is part of the Axon portfolio – is a critical component of all solutions ensuring smooth and efficient operation for our customers, in both the LAB and LSP market segments.

BLAST TV

LATEST EVS VIA AND MEDIA INFRASTRUCTURE SOLUTIONS UNDERPIN BLAST TV'S NEW MOBILE ESPORTS PRODUCTION FLYPACK



BLAST Q&A session with Lasse Kempf and Alex Redfern

With the Covid-19 lockdown impacting mass gatherings, BLAST TV had to adapt quickly to new ways of producing large-scale live eSports events. In search of more flexibility, the global eSports media network selected EVS' market-leading solutions as the backbone of its new eSports production flypack. The mobile solution allows Blast to produce its own live gaming events in-house, for online-only output, while still ensuring the high level of quality and engagement its fans expect.

THE SOLUTION AT A GLANCE

BLAST TV rolled out the EVS solution ahead of the BLAST TV Premier tournaments in October 2020 to deliver fast-paced eSports content to live audiences online. EVS' XT-VIA servers have been deployed to record and produce live replays and highlights from players and observers, while XS-VIA servers provide ingest and delayed playout of the TX feeds for betting requirements. These servers are interconnected by EVS' new IP media sharing network, enabling faster, more efficient live media sharing and storytelling by all client users.

This infrastructure is overseen by the Cerebrum broadcasting control and monitoring system, allowing BLAST TV's crew to configure and manage all SDI workflows within its production environment. Cerebrum controls all the devices in the flypack, including the router, multiviewer, vision mixer and audio desk. It also handles UMD and Tally for the entire system, including the XT-VIAs built-in multiviewers. And with its customizable panels, the system can be designed to meet BLAST TV's specific needs with production configurations that allow various types of events to be easily saved and reloaded.

In addition, LSM-VIA is used to extract maximum potential from the XT-VIA servers so as to create super slow-motion in-game replays and support studio analysis. The new IP-based replay and highlights system provides direct access to all the content on the network, streamlining BLAST TV's workflows so that its crew can focus solely on delivering live storytelling to the highest production standards.

The workflow deployed also includes EVS' live production asset management (PAM) solution, providing dynamic applications for live media content browsing, control, editing and playout, as well as EVS' web browsing tool, which extends its capabilities in terms of accessing, browsing and selecting content regardless of location. Moreover, it enables the team to publish multiple in-game clips for their social media engaged fans. The workflow speed is also partly due to certified integration with Adobe Premier Pro, allowing BLAST TV editors to instantly access clip elements made available by EVS' Live PAM suite. The backend resources of the EVS Live PAM are hosted on EVS' virtualization platform, providing flexibility and agility when operating a scalable infrastructure, saving on power costs and freeing up much-needed rack space. And finally, file exchange, backup and transcoding are offered, which prove extremely useful when publishing clips and highlights for Twitch and social media and simplify content transfer in demanding eSports environments.

A WORD FROM ANDREW HAWORTH, DIRECTOR OF OPERATIONS & PRODUCTION AT BLAST TV

EVS' APPROACH TO THIS PROJECT HAS BEEN INCREDIBLE, UNDERSTANDING OUR UNIQUE CHALLENGES AND THEN WORKING THROUGH DETAILED TECHNICAL WORKFLOWS TO ALLOW US TO PRODUCE HOWEVER WE WANT AND BEYOND.

TENCENT'S BROADCAST TECHNOLOGY CENTRE SELECTS EVS FOR ITS COVERAGE OF THE TOKYO OLYMPICS

Having been selected for the first time as the coverage carrier for the delayed 2020 Tokyo Olympics, Tencent's Broadcast Technology Centre (BTC) faced a significant challenge. It was looking for an end-to-end production platform based on cutting-edge technology, designed specifically for fast-paced, live sports. By choosing EVS, BTC can promise a reliable and flawless production of this eagerly awaited sporting event.

A WORD FROM ZHON JUE, CEO OF BOGDA, EVS' PARTNER IN CHINA

THE BTC TEAM HAD A VERY SPECIFIC VISION FOR HOW THEIR WORKFLOWS ARE TO RUN AT THE TOKYO OLYMPIC GAMES IN 2021. THEY REQUIRED SEVERAL SOLUTIONS TO ADDRESS THEIR PRODUCTION CONCERNS AND OPERATE IN TANDEM. WE KNEW THAT THE WAY TO BRIDGE THIS GAP WAS TO OFFER EVS' LATEST TECHNOLOGIES WITH NATIVE IP CONNECTIVITY, VIRTUALIZATION, EFFICIENT THIRD-PARTY INTEGRATION AND FLEXIBLE LICENSING MODELS.

THE SOLUTION AT A GLANCE

BTC's production team appointed EVS to deliver a wide range of live production tools across two OB trucks, the production center in north-west Beijing and the studios in south-west Beijing. Lying at the heart of the production workflow, the XT-VIA live production server guarantees interoperability with third-party IP-based systems and provides support for HDR in multiple video formats, including 1080p and UHD-4K. It also supports the latest super-motion cameras on the market, which helps to provide the quality assurance required for such a high-profile event. Server interconnection relies on EVS' powerful IP media sharing network, extending the capabilities of the XT-VIA and creating a faster sharing environment for the entire production team.

Both solutions interact seamlessly with LSM-VIA, EVS' new IP-based live replay and highlights system, giving BTC operators fast and direct access to all content on the network. By dynamically assigning channels on geo-distributed XT-VIAs, the BTC production team is able to run multi-site simultaneous productions from anywhere on the network for maximum productivity.

With crews scattered among the different sites, BTC was keen to empower them with the most collaborative production workflows possible. Thanks to EVS' virtualization platform, users can easily access the applications they need from a simple web interface. This is the case for EVS' content management suite along with its web-based browsing tool for instance, deployed as virtual machines to allow the various stakeholders to browse content from wherever they are located.

EVS' file exchange, backup and transcoding solution also plays a key role in further enhancing collaboration between production and news teams working in the OB trucks and the studio. All EVS' technologies seamlessly integrate with third-party systems including Tencent's cloud platform, a prime requirement for the BTC team. In the future, this will allow it to cover a variety of sports, shows, eGames, or even self-production by Tencent Video App users by integrating its cloud and AI-based productions within Tencent's cloud platform.

TENCENT

Interview CHANG Shulei, Tencent

2020 – **REINVENTING THE DIALOGUE** WITH OUR CUSTOMERS

2020 did not only change the way our customers produce content. As for any company, it also created obstacles to communication with our customers. So we had to re-invent the way we have fruitful dialogues with them.

SUPPORTING OUR CUSTOMERS IN A CHALLENGING SITUATION

At the beginning of the pandemic, we reached out to our most impacted customers to discuss how we could help them during this challenging period. Based on this feedback, we have taken some specific measures to help these customers in need and we have also accelerated a number of features related to remote production.

+1000

broadcasting engineers attended Cerebrum training sessions

SALES DIALOGUE

Our Customer Success Team has stayed in regular contact with our customers so as to demonstrate our commitment in cases where support is required, change is occurring or specific challenges have been thrown up by the situation. Our customer success team is obviously eager to meet our customers customers more frequently in order to better understand the way they will be transforming their business and practices.

EVS OBVAN

In late 2019, inspired by the popular NALA OBVan travelling around the USA to meet customers, an EMEA OBVan was planned to visit our customers and demonstrate our wide range of solutions. Due to the pandemic, this in fact only went out on the road a couple of times. When things return to normal, our European customers can expect a visit from this OBVan so that they can actually handle our products and experience how easy our solutions are to operate.

ALL LEADERSHIP TEAM MEMBERS KEPT CLOSE BUT VIRTUAL CONTACT WITH CUSTOMERS, TEAM MEMBERS AND BUSINESS PARTNERS ALL OVER THE WORLD.

JULIEN FRAIPONT, AREA SALES MANAGER, NORDICS & BALTICS - EVS

THE 2020 PANDEMIC HAS BROUGHT CHALLENGES IN THE WAY WE COMMUNICATE WITH OUR CUSTOMERS AND PARTNERS. WE OBVIOUSLY MISS THE FACE-TO-FACE DISCUSSIONS BUT THE TECHNOLOGY IN HAND ALLOWS US TO BE EFFECTIVE NOT ONLY IN BUSINESS PROJECT MEETINGS, BUT ALSO WHEN GIVING ONLINE DEMOS, ESPECIALLY SINCE WE PROVIDE REMOTE PRODUCTION TOOLS. EVERYONE HAS HAD TO ADAPT TO THE CURRENT CIRCUMSTANCES AND MAKE THE BEST OF THEM.

REMOTE DEMOS & TRAINING

In the meantime, our teams have demonstrated great creativity in devising means of offering our customers remote demos, starting with our APAC team, which was the first to be hit by the pandemic. Many EVS users have been trained remotely throughout the year. More than 1,000 broadcasting engineers attended Cerebrum training sessions when they were shown how to make use of the product to simplify production. Many EVS operators (replay operators) have also been trained to use the new LSM-VIA!

VIRTUAL NAB & IBC & SVG SUMMIT

NAB & IBC are very important events for the broadcasting industry as a whole and our EVS happy hour was highly appreciated by our team members, customers and partners, offering an opportunity to share ideas and re-think the broadcasting world. Last year however, there was no EVS happy hour!

We had to re-invent these interactions through private remote demo sessions organized with our customers to demonstrate the power of EVS solutions and the way customers can benefit from the new possibilities offered in the new releases.

Once the situation returns to normal, we are committed to resuming our participation in these important events so that the teams, customers and partners can once again enjoy socializing with one another.

LIVE PRODUCTION ANYWHERE

We also organized a "Live Production Anywhere web show on October 14th. This went far beyond the standard product webinars all too frequently arranged by offering a virtual EVS visit. The various teams were able to show customers and partners the results of their work, the way they work, their working environment and the values they uphold. The web show was fully remote and involved teams in different regions.

REMOTE PROJECT DEPLOYMENT AND SUPPORT

Communication is certainly not reserved for marketing, sales and pre-sales at EVS! Our project and support teams also faced their challenges in 2020 as they were forced to deploy projects remotely, exerting their communication skills to the full in order to bring clarity even in a virtual environment. They succeeded in guiding our customers in the deployment and modification of their systems, especially with customer teams under pressure to push the limits of our systems far beyond the known frontiers in terms of remote production.

Last year however, there was no EVS happy hour!

POST PANDEMIC IMPACTS

This pandemic has certainly transformed communication with our customers, pushed back boundaries in terms of the creativity of our teams and accelerated a transformation that was due in any case. Some of the changes have proved to be major virtues. Once the pandemic is over, we don't plan to restore everything to the way it was before. We want to better leverage the power of virtual interactions when this improves efficiency and combine it with the precious social contacts that we all missed so much in 2020.

Live Production Anywhere webshow

FIRST REMOTE DEMOS FROM HONG KONG OFFICE IN Q1

EVS IS **BY OUR SIDE**

BROADCAST SOLUTIONS GMBH

Broadcast Solutions GmbH specializes in mobile, fixed and hybrid installations for broadcasters, industrial and governmental organizations.

Stefan Breder
CEO
Broadcast Solutions GmbH

OUR FIRST MANUFACTURED OB-VAN ALREADY INCLUDED AN EVS SLOW-MOTION SERVER (LSM).

THE QUALITY OF THE EVS PRODUCTS PERFECTLY MATCHES THE QUALITY LEVEL OF OUR SYSTEMS AND OB VANS. THE PRODUCTS HAVE TO OPERATE UNDER THE HARSHEST CONDITIONS, WHICH WE SOMETIMES FACE IN THE OUTSIDE BROADCASTING FIELD.

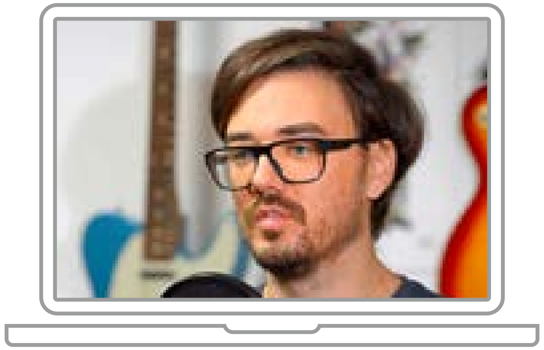
ALL IN ALL, THIS MEANS: EVS IS BY OUR SIDE!

LIVE PRODUCTION IN GENERAL AND HIGH-VALUE SPORTS IN PARTICULAR LEAVE NO ROOM FOR ERROR. WE CAN RELY ON THE EVS SOLUTIONS. WE KNOW EVS IS BY OUR SIDE.

PROXIMUS

Proximus Media House (PmH) is an entity of the Proximus Group. One of their core activities is the creation, production, purchase and exploitation of audio-visual content.

Rodrigo Sternberg
Head of Technology, Broadcasting & Infrastructure
Proximus Media House



PILGER FILM

Pilger Film is a TV production company that has focused on coverage of live sports such as American football, skiing, ice hockey, etc. for over 20 years.

Lukas Pilger
Pilger Film

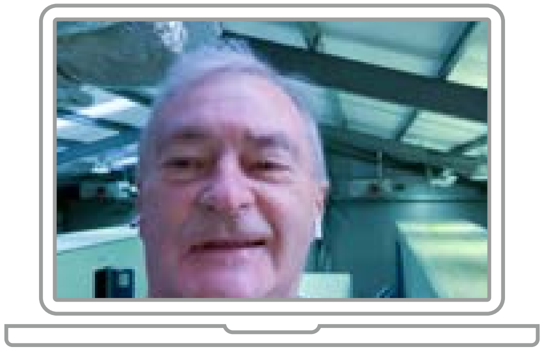
> WE CHOSE EVS SOLUTIONS AS THEY ARE EASY TO USE AND HAVE A LOT OF AWESOME FUNCTIONALITIES. THE COOPERATION WITH EVS IS GREAT. THEY TRY TO IMPROVE THEIR SYSTEM BASED ON OUR FEEDBACK. WHICH IS GREAT!

> WE'RE VERY PLEASED TO HAVE A PARTNER LIKE EVS TO SUPPLY THE CEREBRUM CONTROL SYSTEM AND XT-VIAS IN OUR NEW OB10.
>
> WE'RE VERY DELIGHTED TO HAVE EVS BY OUR SIDE ON THIS NEW JOURNEY.

TVM

TVM is a one-stop broadcasting facilities company with a proven track record as a first-class, reliable OB provider.

Bart Arnold
Managing Director
TVM



LSM-VIA OPERATOR

Lisa Menzies
Freelance EVS operator
EVS

> DESPITE HAVING TESTED POSITIVE FOR COVID-19, LISA MENZIES WAS STILL ABLE TO BE PART OF THE SUPER BOWL TEAM. WITH THE HELP OF CBS AND EVS, SHE DELIVERED REPLAYS FROM HER HOTEL ROOM USING OUR NEW IP-BASED LSM-VIA REMOTE! WATCH THE VIDEO TO FIND OUT HOW

AXON ACQUISITION

MEDIA INFRASTRUCTURE TEAM - GILZE

THE COMPANY ACQUIRED

Axon was acquired on May 1st 2020. At the time of the acquisition, Axon was a Dutch company with three main sites. The company had its headquarters in Gilze (NL), an additional R&D development center located in Wockingham (UK) and a commercial center in Beijing. Axon mainly supported customers in Western Europe and in APAC. The company had no substantial commercial activity in NALA. In order to leverage the strong EVS brand worldwide, the Axon brand has been replaced by EVS Media Infrastructure.

Axon mainly provided the following products:

- **Synapse:** a robust glue & multiviewer to convert video and audio signals
- **Cerebrum:** a centralized control system able to configure, monitor and control a wide collection, hundreds of broadcasting systems and devices from various vendors.
- **Neuron:** the 100G IP audio, video and data stream network-attached processing platform that supports a form of virtualization in addition to latency-optimized FPGA hardware.

Axon is a market leader in the provision of stream processing and multiviewer solutions for OBVan and broadcasting centers.

PERFECT FIT

Axon ticked all the boxes as regards the company profile targeted by EVS for acquisition:

- Axon brings with it a complementary product portfolio to build EVS Media Infrastructure solutions in combination with the EVS IP SDN network management approach.
- Axon's DNA is similar to that of EVS: the focus is on customer intimacy. Providing the most reliable solutions that enable our customers to create high quality video content lies at the heart of what both our companies do.
- Axon's customers are similar to those of EVS, i.e. Live Audience Business and Live Service Providers. In many cases, we serve the same customers.
- With a total of 85 team members, Axon is in line with our objective to limit the size of our first major acquisition to a maximum of 100 people. We felt that this was important in order to increase our chances of a successful integration.
- Axon also fulfills the criteria regarding gross margin and potential future profitability generation.
- Axon has strong competencies in house, including R&D expertise, domain knowledge and an accurate understanding of the market and its customers.

85

team members

EVS Media Infrastructure team members testimonials

SUCCESSFUL INTEGRATION

As at EVS, "customer intimacy" is the core value discipline for Axon team members. Our corporate values match incredibly well.

A joint Integration Management Team has been set up to ensure a successful integration in four waves with clear priorities and objectives. This alignment of priorities and objectives facilitated a smooth integration. There was a clear willingness to learn and benefit together on both sides.

SOME SYNERGIES ALREADY REALIZED

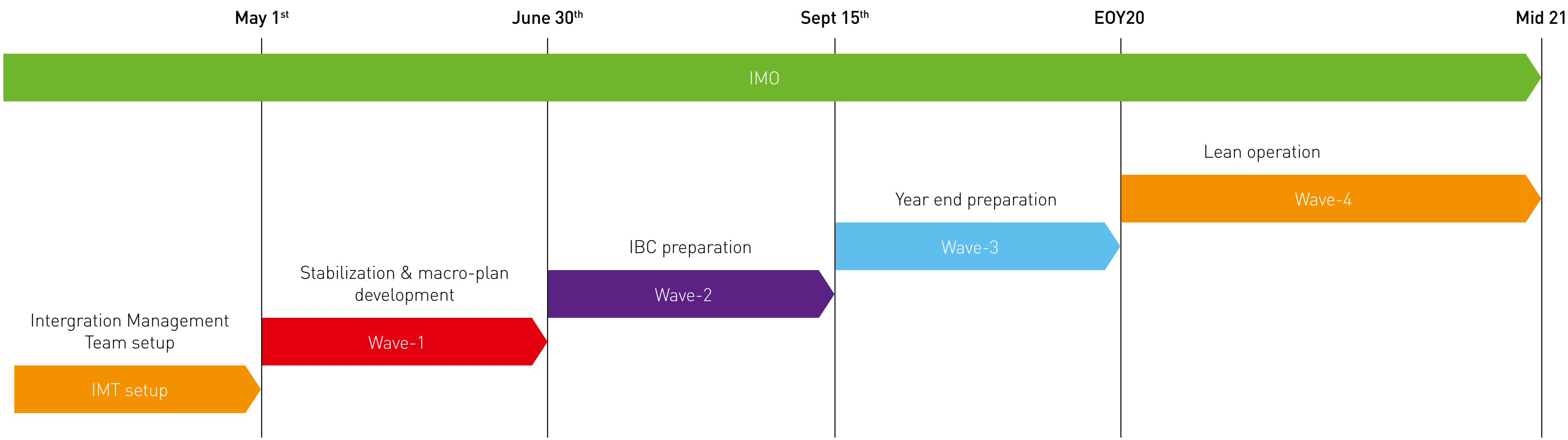
The first synergies have already been demonstrated and contribute to the positive mindset as regards the integration of the teams.

On the commercial side, thanks to the value of the EVS brand, the local presence worldwide and the strong commercial EV team in the Americas, we expect to boost sales of Axon products. NALA is one example of geographic sales synergies but there are other regions and customers, as well. Some Axon systems have already been sold by former EVS team members.

As regards the portfolio, thanks to EVS Media Infrastructure, EVS has significantly extended its product and solutions portfolio. This will strengthen our position for customers who are looking for turnkey deployments. For example, in Q3 we successfully deployed the first combined solution of servers, switchers and Media Infrastructure components to a major eSports player.

In terms of expertise, by exchanging best practices we expect to see both team progress and improve their operational working methods. This first major acquisition strengthens our global audio expertise, improves our ability to sell more through channel partners and enhances our market knowledge of control systems and automation.

Some cost synergies have also been implemented, for example with former Axon team members being promoted to key positions within our organization.



OUR VISION OF **SUSTAINABILITY**

2020 was the first year when EVS had to prepare a sustainability report. This report explains the pillars and subjects that EVS is currently developing to form the future sustainability report. As such, this report is not based on international standards and therefore it does not set any key performance indicators.

These notes contain information regarding sustainability at EVS, which is striving to compile more detailed information to be made available in future.

SUSTAINABILITY

We at EVS endeavor to achieve excellence, innovation and reliability in a sustainable manner.

Our team members, our customers and the environment are essential to us. We believe it is very important that our team members are treated with dignity and offered a decent place of work while minimizing our impact on the environment and offering our customers robust and reliable solutions.

> *"WE HAVE A DREAM"*
>
> *WE WOULD LIKE TO PURCHASE OUR GREEN ENERGY LOCALLY, PRODUCED ON THE FIELDS BEHIND OUR HEADQUARTERS. GIVE US FIVE YEARS TO REALIZE THIS DREAM....*

EVS solar panels project 2020

ENVIRONMENTAL PROTECTION

EVS headquarters, located the wooded surroundings of the Liege Science Park, comprise office space and production rooms covering 23,000m².

This all-glass building allows users to enjoy pleasant natural light and the green setting.

The project designers also gave careful consideration to all the sustainability aspects of a new construction, from both the technical and the environmental point of view. In 2017, B4F carried out an audit of the building, which received a "Very good" ranking according to the BREEAM-in-use evaluation method.

Since we moved to this new building in 2015, we have been committed to the surrounding area, its team members and the community in which it operates. We practice and demonstrate this commitment through practical initiatives that demonstrate commitment and have an impact.

Energy plan

"The best energy is that not consumed".
We sent weekly messages to our team members, addressed in particular to our developers and testers, asking them to switch off the servers during holiday period and over the weekends.

This quick win helped us to reduce our electricity consumption by 30 % between 2016 (+/- 7 GWh) and 2019 (less than 5 GWh). We do not use any other fossil fuels.

In addition, we constantly examine ways of reducing our electricity consumption in our offices and development centers.

"Increasing our onsite production"
In 2019, we started a project which involves extending the photovoltaic panels to cover three different zones within the EVS property. In total, almost 2,200 panels are now producing green energy. We use all this green energy ourselves and it accounts for approximately 10-12 % of our annual energy consumption.

The solar panel extension has been producing green energy since the end of July 2020.

No trees were harmed in the process – even better, we will be planting more!

We took advantage of the work to increase the storage of rainwater, which is used for outdoor maintenance works, toilets and to cool the server rooms through adiabatic cooling (process of reducing heat through a change in air pressure caused by volume expansion).

The total capacity is now around 220 m³ of rainwater, which allows EVS HQ to be autonomous for approximately 30 days.

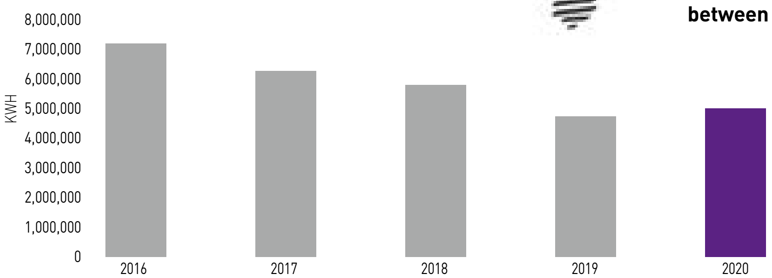
This helps us to reduce the consumption of tap water which is used in the coffee machines, water fountain and kitchen. Consumption amounts to about 2,500 m³ / year.

All our energy contracts are being renegotiated so that EVS can opt for green energy. This is already the case in many countries (Belgium, France, Italy, etc.).

30%

EVS reduced its electricity consumption by 30% between 2016 and 2019

EVS ELECTRICITY CONSUMPTION



LOIC BOLOGNE,
HEAD OF FACILITY AND PROCUREMENT

Interview Loïc Bologne - Head of Facility and Procurement

Honey, saving the bees can save our planet

In 2020, our headquarters became the playground of hundreds of bees. Two beehives have been installed next to our building. In this way, we hope to help reverse their decline and to support our local ecosystem.

Our first harvest, in autumn 2020, provided 130 jars of honey which were sold to our team members.

The amount collected was donated to a local association that aims to make everyone aware of the need to live in a closer relationship with nature and with their local environment.

SUSTAINABLE OPERATIONS

EVS attaches great importance to waste management. This involves strict waste sorting.

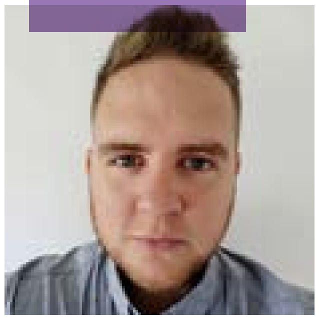
In 2019, the waste volumes in the various categories were as follows:

- Paper and cardboard: 21 tons (recycled)
- PMC (Paper, metal & plastic for food): 6 tons (recycled)
- Residual waste 20 tons
- Biodegradable (estimated): 5 tons (compostable)
- Wood: 6 tons (recycled)
- Electronic waste (cards; computers; HDD; etc.): 20 tons.

Logistics currently play a significant role in the overall emissions of greenhouse gases.

In the context, EVS has recently taken several steps towards greener and more sustainable operations.

FLORIS NIJSKENS, FACILITY COORDINATOR



Interview Floris Nijskens, Facility coordinator

Of course, optimizing transportation has always been one of our main concerns to reduce the cost. Lately, however, special emphasis has been put on improving our packaging process in this respect.

By substituting Styrofoam chips and plastic tape with paper equivalents, by replacing some of our carton boxes with FSC-labelled alternatives and lately by swapping plastic boxes for cardboard packing, we aim to reduce EVS' impact on global warming and waste production.

These initiatives may sound modest in the grand scheme of things, but we believe that each and every step towards a greener future is worth taking!

Recently we have been working on recycling our outdated machines, for which we are granted the **"Green Feet Award"** every year.

CATERING

Our team members are offered a selection of healthy and balanced meals every day, mainly made by local producers. In 2019, over 58,000 meals were freshly prepared.

EVS offers its team members the possibility of ordering local products and having them delivered to the workplace. Point Ferme, a cooperative with a social purpose comprising about 40 farmers from Liège and the surrounding area, delivers directly from the producer to the consumer.

Their objective is to give everyone access to healthy food in a short circuit and to maintain sustainable agriculture.

https://pointferme.be/

HELPING THE COMMUNITY IN WHICH WE OPERATE

IT – Donating computers.

We regularly donate computers to local associations and schools.

In 2020, more than 60 students received a computer.

In these difficult times caused by the pandemic, when students have to study at home most of the time because schools are closed, this gesture has proved even more welcome.

We give our smartphones a second life.

Our partner, "A Smart World", helps us give our smartphones a second life. They are reconditioned and resold on the second-hand market.

HERA Awards

After three years of partnership, EVS has decided to renew - and even double - its support for the "HERA Award Sustainable IT" for another three years.

This award of excellence is part of the HERA Awards group of prizes, presented annually by the Foundation for Future Generations. The "HERA Award Sustainable IT" recognizes master's theses in the field of information technology that adopt a systemic, 360° approach to sustainable development.

The HERA Awards stimulate young people to integrate this 360° approach into their master's thesis, and thus to think about the world of tomorrow. "The HERA Awards are the first milestone in a true continuum of support for young people set up by the Foundation for Future Generations. After this initial support at the idea stage, our Foundation assists with the transition to prototyping by awarding grants, then the creation of sustainable start-ups at a very early stage and, finally, the strengthening of more experienced social entrepreneurs.

CO_2 REDUCTION

Through its activities, EVS also helps to reduce the environmental footprint of the broadcasting industry still further. As an example, EVS develops solutions that allow its customers to produce or access video content from a remote location, enabling operators to dramatically reduce their travel. For instance, during major sporting events, broadcasting production tools

HERA awards - interview Serge Van Herck, CEO

TANIA GOURE
ORDER PROCESSING & SHIPPING COORDINATOR

Interview Tania Goure - Order processing & shipping coordinator

favor video sharing between the event venue and the broadcasters' data center. This greatly reduces air travel for a large number of people.

Energy is an essential part of the product design equation. The energy spent per channel is regularly optimized. EVS offers virtualization to leverage the existing energy-optimized infrastructure of customer data centers. EVS also offers SW-based pricing models to remotely activate features, reducing the need to move machines from one location to another when HW capacity is already present.

SOCIAL RESPONSIBILITY AND THE TREATMENT OF EMPLOYEES

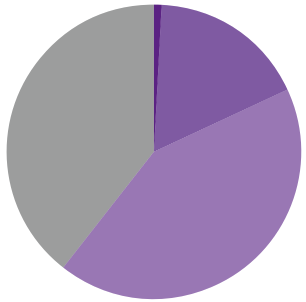
Employees are the main assets of EVS. They are the source of innovation that EVS uses to develop solutions, offer these to customers throughout the world, install the solutions and provide the necessary training and maintenance to the customers. The management of EVS therefore pays special attention to providing employees with a working environment based on personal development and respect for the individual. This includes, among other things:

- An attractive workplace: at the headquarters and in our offices, we place the emphasis on making the workspaces pleasant, practical and comfortable.
- A caring culture for all team members: excellence and kindness are important for EVS. We want to treat our team members the same way they treat our customers.
- A learning organization. We organize internal and external training programs to assure the personal development and fulfilment of every team member.
- Continuous development. In line with our training programs, we aim to achieve continuous development for all our team members. We support this goal with our Individual Continuous Improvement Process and our talent management programs which help identify the strengths and areas of improvement of our team members, but also their wishes for their future in the company. A tailored development plan is then designed to support them.
- A broad range of activities: several activities are organized by and for the team members. These aim to build team spirit (during departmental incentives for instance), to gather everyone together (during company events), or to provide opportunities for team members to meet each other (by doing sport in the neighborhood).

> EVS IS PARTICULARLY PROUD TO SUPPORT THIS PROJECT FOR MORE SUSTAINABLE IT.

EVS WAREHOUSE TEAM

TYPE OF TRAININGS



- A competitive global remuneration package. Our Reward strategy aims to link the remuneration package with the skills and experience of each person. But we also emphasize company profit-sharing programs as we believe that team members' commitment is fostered not only by financial rewards but also by a purpose-driven job.

This strategy pays off and reinforces a sense of belonging among our team members. Over the past few years, the turnover rate has decreased sharply, and it remains particularly low despite the relatively young average age of the company's employees (40 years).

EVS has 500+ team members working over 20 offices throughout the world and expects them to act with integrity.

Over the years, EVS has developed a range of strategies to attract and retain talents. The company's wide spectrum of initiatives and policies includes:

Welcome

Every new team member joining the EVS family receives a welcome guide including a detailed presentation of the company, the EVS culture, the company's mission and vision, an overview of the organization, access to internal and external training courses to develop their potential; information on EVS corporate social and environmental responsibility.

Connection between team members

EVS promotes communication between team members within the organization and across departments. At the headquarters, this is made easier by working in open spaces, with transparent windows.

Our foreign offices are not forgotten, either. We share all important information via various platforms that help us reach all team members and give them access to all the information they need.

In 2020, EVS launched a new Intranet called Bridge where team members can easily access company information such as the monthly newsletters from the CEO, the EVS Strategy Map, HR and Legal documents and processes and much more useful and important information.

Individual development

Personal development and fulfilment are important topics in our Human Resources strategy. We therefore put the emphasis on developing our team members through several courses and using different channels. Thanks to our training catalogue designed to support innovation and continuous improvement, we can dedicate time to our team members' training and development. During the COVID-19 crisis, and with the reduction in activities, our team members have taken the opportunity to promote their own development through several of our programs:

- Languages courses (French, English, Dutch, German)
- E-learning
- Internal training courses (Broadcasting fundamentals, EVS solutions, Agile & Scrum, etc.)
- External training courses (Soft and Hard skills, etc.).

Altogether, we have offered our team members more than 12,000 hours of training through these different channels. This equates to an average development time per team member of more than 21 hours during the year.

Well-being

We have just been through a strange year, with the majority of our team members forced to work from home. However, with the help of the internal events committee, EdForce 1, EVS succeeded inorganizing several virtual events for its team members. These included a virtual blind test, a drive-in opportunity to meet Santa Claus and treat our employees' children in December, and more.

As part of our Employer Caring strategy, we also offered "Dinners for Two" and "Dinners for Two and your Kids" to some employees who particularly stood out or stunningly embodied our values. These family moments are a way to ask our team members to take time with their family and enjoy these moments.

A competitive remuneration package.

Our Reward strategy aims to link the remuneration package offered to our team members with their skills and their experience. We also emphasize company profit-sharing programs as we believe team members' commitment is fostered not only by financial rewards but also by a purpose-driven job.

Other benefits

EVS offers its team members various benefits in addition to their global remuneration. These benefits are evaluated, office by office, to make them as relevant as possible for the team members in these offices. Continuous analysis and optimization of the benefits we offer is one of our top priorities as this helps our team members to be as fully dedicated to their work as possible.

Our Human Resources approach aims to reach the maximum level as regards these six axes: physical health, financial health, social health, emotional health, personal fulfilment, and culture. All our policies and actions are in line with these six axes, which are the essence of the well-being of all our team members. When our employees are feeling good in every way, they can be fully dedicated and fully engaged in their job and this is our mission.

RESPECT FOR HUMAN RIGHTS

At EVS, our team members are our most valuable assets.

We are therefore committed to providing a positive working environment where team members are treated fairly, with respect and without any discrimination, and where every team member treats others the same way.

EVS also aims to provide equal opportunities for all our team members or applicants regardless of their gender, sexual orientation, disability, age, ethnic origin or political or religious beliefs.

Finally, EVS ensures that all team members have a safe and healthy workplace while protecting the environment by complying with all applicable environmental, health and safety laws and regulations but also through a number of worthwhile specific initiatives.

All the above is reflected in our EVS Code of Conduct, updated in 2020. Training courses on this topic will be given to team members in the course of 2021.

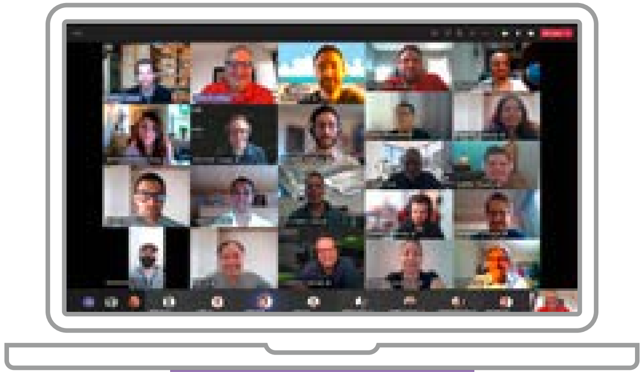
EVS is also committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

ANTI-CORRUPTION AND BRIBERY

Compliance with legal requirements and internal company guidelines is part of the EVS corporate governance policy.

At EVS, we deal responsibly with gifts and entertainment. Through our Code of Conduct, we ensure that our team members comply with any applicable anti-bribery laws at all times. In their interaction with customers, suppliers or any other business partner, it is strictly forbidden to accept or offer any gift or entertainment that seems like an attempt to obtain, keep or grant any business advantage such as favorable treatment in negotiations or the awarding of contracts. This applies in particular with government or public company officials and notably during negotiation or tender processes.

All the above is reflected in our EVS Code of Conduct, updated in 2020. Training courses on this topic will be given to team members in the course of 2021.



EVS NALA TEAM

EVS 2020 BOARD OF DIRECTORS

DIVERSITY AND RESPECT FOR HUMAN RIGHTS

We at EVS are aware that diversity in our industry should be the number one priority. All too often, ours is seen as a masculine industry. This is now changing. We promote diversity in our recruitment process which is open to everyone.

Our team members are welcomed regardless of their cultural background, gender, mother tongue, age, etc.

We have zero tolerance for racism.

We use English as the company language to avoid favoritism and we offer our team members several kinds of training courses with one goal in mind: progression.

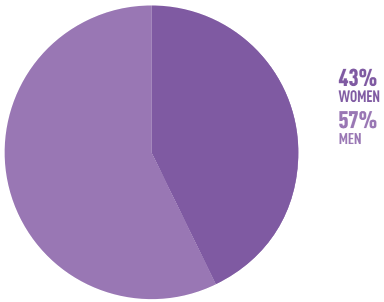
Everyone within EVS who has the competence, talents and willingness to grow can progress.

Diversity at Board level

As regards the composition of the Board of Directors, EVS complies with the mandatory quota for listed companies as stipulated by Belgian law . These requirements in terms of diversity have been followed and are integrated into the recruitment process of our Remuneration and Nomination Committee.

When replacements or appointments for the Board are considered, EVS systematically takes into account how these will enhance gender diversity at Board level.

DIVERSITY AT BOARD LEVEL



OUR VALUES

We're **#Accountable**: We're appreciated for our "Can Do" attitude.

We're **#Agile**: we react promptly to our changing environment. We embrace change, considering challenges to be opportunities. We try, sometimes we fail, but we always learn.

#CustomerSuccess is at the heart of everything we do. We put ourselves in our customer's shoes. We understand how they plan to win and how we can help them do so, anticipating their needs.

Our premium brand positioning requires **#Excellence** at all levels. We keep on challenging ourselves, avoiding any type of complacency. Being a pioneer sets the bar high in terms of **#Innovation**. Innovation is not just a goal. It's an attitude.

We wouldn't have been able to create EVS without **#Passion**: we aim to be proud ambassadors of our successes. Everyone can nurture passion through energizing,

engaging and inspiring others.

#Teamwork is the best way to make the most of our talents. We all pursue the interests of EVS.

We trust and deserve trust.

SHAREHOLDERS' INFORMATION

EVS BOARD OF DIRECTORS COMPRISED OF (FROM LEFT TO RIGHT ON THE PHOTO) PATRICIA LANGRAND, MICHEL COUNSON, PHILIPPE MERCELIS, ANNE CAMBIER, MARTIN DE PRYCKER, CHANTAL DE VRIEZE, JOHAN DESCHUYFFELEER

EVS SHARES

EVS capital is represented by 14,327,024 shares without nominal value. Since December 15, 2011, EVS shares have been either registered or dematerialized (and must be registered in a securities account).

Stock market and listing

EVS shares are listed on the continuous Euronext Brussels market under ISIN code BE0003820371.They were listed in October 1998 at a price of EUR 7.44 (EUR 37.20 before split). The share was split into five on June 5, 2005. EVS is part of the Next150 and BelMid indices. As of December 31, 2018, EVS was also eligible for the Equity Savings Plan for Small and Medium-Sized Enterprises in France ("plan PEA-PME"). During 2020, the maximum value reached by the stock price was EUR 22.15 on January 2 and the minimum value of EUR 10.34 was recorded on March 18. As at December 31, 2020, EVS had a market capitalization of EUR 239.3 million with a share price of EUR 16.70. The value of EVS shares fell by 24.4% in 2020.

During 2020, the standard velocity was around 48%. An average of 26,761 shares were traded daily on Euronext and other trading platforms, representing trading of EUR 418 K. Adjusted for an average free float of 86.4%, EVS had a velocity of 55.6% during 2020.

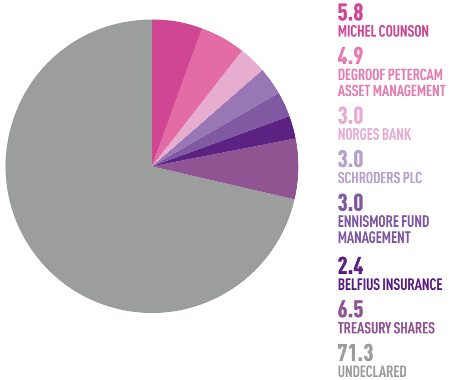
Dividend

Since its IPO in 1998, EVS has always paid a dividend to its shareholders.

In 2018, in order to give investors more clarity when looking at their investment in EVS, the Board of Directors decided of a stable yearly gross dividend policy of EUR 1.00 per share for the period 2018-2021, subject to market conditions, the dividend being paid in two parts: an interim dividend at the end of November, and the final dividend in May after the approval of the General Meeting.

For the 2020 fiscal year, given the extraordinary market conditions, the Board of Directors will put a proposal to the shareholders at the Ordinary General Meeting of May 18, 2021 to approve the distribution of a gross dividend per share of EUR 0.50. If approved by the Ordinary General Meeting, the remaining gross dividend of EUR 0.50 (or EUR 0.35 net of Belgian withholding tax of 30%) will be paid on May 26, 2021 against coupon #30 (ex-date: May 24, 2021; record date: May 25, 2021). The Board's proposal for 2020 represents a payout ratio of 94.3% and a dividend yield of 3.2% (on 2020 average share price).

EVS SHAREHOLDERS (IN %)



Shareholding

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

The percentage of shares held must be calculated based on the number of shares outstanding (14,327,024 shares at end 2020).

As at December 31, 2020, the shareholding of EVS Broadcast Equipment was as shown in the graphic on page 26 (based on recent statements received by the company and the treasury shares position as at December 31, 2020).

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

General meetings

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

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

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

Financial service

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

ING BANK SA
Avenue Marnix, 24
1000 Brussels
Belgium

Information accessibility

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

A page is also dedicated to the financial analysts who monitor the stock.

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

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

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

THE EVS SHARE OVER THE LAST 10 YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Number of shares issued (average)	14,327,024	14,327,024	13,636,540	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000
Number of shares issued (31/12)	14,327,024	14,327,024	14,327,024	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000
Average number of shares, excl. own shares	13,668,612	14,016,921	13,531,196	13,514,301	13,501,815	13,490,812	13,513,053	13,480,715	13,449,081	13,465,244
Average free float	86.4%	87.2%	93.9%	93.9%	93.5%	93.5%	93.5%	93.5%	93.5%	88.5%
Annual volume[1]	6,877,590	8,364,031	11,730,794	8,017,152	10,191,122	11,809,385	17,242,611	14,884,293	8,758,751	16,614,717
Average daily volume (number of shares)[1]	26,761	32,800	45,645	31,195	39,654	46,130	66,574	58,600	34,348	63,904
Average daily volume (EUR)[1]	417,689	706,515	1,053,033	1,040,358	1,228,090	1,326,711	2,459,901	2,888,959	1,383,196	2,726,774
Standard velocity[2]	48.0%	58.4%	86.0%	58.8%	74.8%	86.7%	126.6%	109.2%	64.3%	121.9%
Adjusted velocity - Average free float[3]	55.6%	66.9%	91.6%	62.7%	80.0%	92.7%	135.3%	116.8%	68.8%	137.8%
Average annual share price (EUR)	15.61	21.54	23.07	33.35	30.97	28.76	36.95	49.30	40.27	42.67
Closing share price (EUR)	16.70	21.75	23.20	29.71	33.20	29.00	29.89	46.99	44.40	39.49
Highest share price (EUR)	22.15	23.70	33.15	38.75	36.50	36.40	47.97	57.19	46.00	48.30
Lowest share price (EUR)	10.34	19.58	15.44	26.75	24.89	21.06	23.52	39.88	34.97	34.10
Market capitalization (average, EUR millions)	223.6	308.6	314.6	454.4	422.0	391.9	503.4	671.7	548.7	581.4
Market capitalization (Dec. 31, EUR millions)	239.3	311.6	332.4	404.8	452.4	395.1	407.3	640.2	605.0	538.1
Gross dividend (EUR)	0.50	0.50	1.00	1.00	1.30	1.00	2.00	2.16	2.64	2.36
Net dividend (EUR)	0.35	0.35	0.70	0.70	0.93	0.74	1.50	1.62	1.98	1.77
Dividend yield (gross dividend on average share price)	3.2%	2.3%	4.3%	3.0%	4.2%	3.5%	5.4%	4.4%	6.6%	5.5%
Share buyback/share	0.58	0.37	0.11	0.00	0.00	0.00	0.36	0.00	0.00	0.17
Basic EPS (EUR)	0.53	1.40	2.60	1.77	2.43	1.76	2.63	2.52	3.10	2.38
Payout ratio (gross dividend on basic EPS)	94.3%	35.7%	38.5%	56.5%	53.5%	56.8%	76.0%	85.7%	85.2%	99.2%
Price/earnings ratio [4]	29.4	15.4	8.9	18.8	12.7	16.3	14.0	19.6	13.0	17.9

[1] Source: volumes according to Euronext until 2008; as from 2009, the source is Fidessa, which also includes the exchanges made on alternative platforms.
[2] Standard velocity represents the annual volume traded on the stock market expressed as a percentage of the total number of the company's shares.
[3] Adjusted velocity represents the annual volume traded on the stock market expressed as a percentage of the average free float.
[4] The price/earnings ratio is the average share price for the year divided by the EPS over the same period.

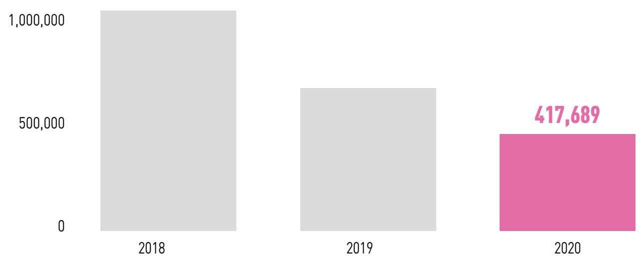
CONSOLIDATED KEY FIGURES – IFRS (EUR MIO)	2020	2019	2018
Revenue	88.1	103.4	116.1
Operating profit - EBIT[1]	5.7	23.0	28.1
Net profit (group share)	7.2	19.6	35.2
Investments	6.9	1.4	1.3
Cash generated from operations	16.4	22.6	33.3
Total equity before profit allocation (31/12)	140.5	141.8	141.3
Net cash position (31/12)[2]	34.7	45.5	58.5
Net working capital (31/12)[3]	47.5	48.5	40.7
Number of team members in FTE (31/12)	550.0	464	477
Ratio Chiffre d'affaire / Employé	160,182	222,845	222,845

DATA PER SHARE (EUR)	2020	2019	2018
Average number of shares excl. treasury shares	13,668,612	14,016,921	13,531,196
Basic net profit (group share)[4]	0.53	1.4	2.60
Gross dividend (interim + final dividend)	0.50	0.50	1.00
Equity per share	9.81	10.18	9.93

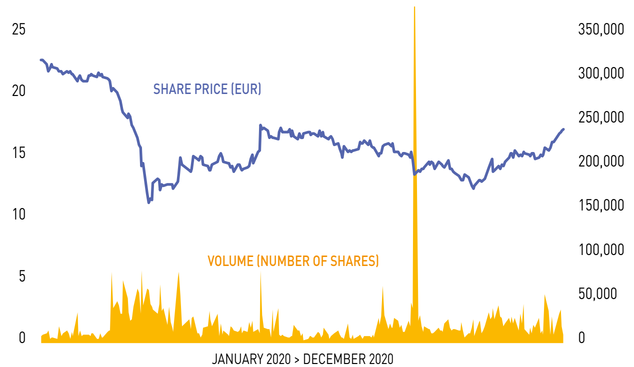
RATIOS (%)	2020	2019	2018
Gross margin (%)	66.50%	71.6%	71.1%
EBIT margin (%)[1]	6.4%	22.3%	24.2%
Net margin[5]	8.2%	19.0%	30.3%
Payout ratio (gross dividend/net profit)	94.3%	35.7%	38.5%
Dividend yield (gross dividend/average share price)	3.2%	2.3%	4.3%
Return on equity – ROE[6]	5.1%	13.9%	33.4%
Return on capital employed – ROCE[7]	8.1%	27.3%	54.7%

[1] EBIT means "Earnings Before Interests and Taxes" and corresponds to the operating result before interests and taxes.
The EBIT margin is the EBIT divided by the revenue.
[2] The net cash position is the cash and cash equivalents less the financial liabilities and the other long term debts (incl. their short term portion and including IFRS16 leasing debt).
[3] The net working capital = stocks + trade receivables - trade payables
[4] Calculated based on the number of shares excluding treasury shares and warrants.
[5] The net profit margin is the net profit (group share) divided by the revenue.
[6] This return is the result of the net profit (group share) divided by (the shareholders' equity at the beginning of the year less the final dividend decided during the Ordinary General Meeting of May).
[7] Net profit (group share), (goodwill + intangible and tangible assets + stocks).

LIQUIDITY – AVERAGE DAILY VOLUME ON THE STOCK MARKET (EUR)



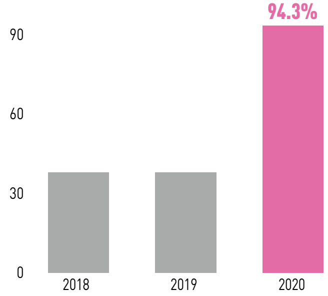
SHARE PRICE AND VOLUME



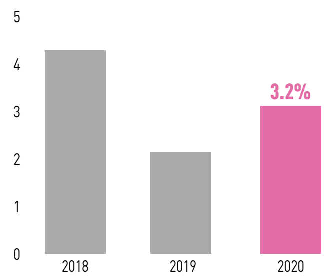
SHAREHOLDERS' CALENDAR

May 18, 2021 Ordinary General Meeting
May 20, 2021 first quarter 2021 trading update
August 26, 2021 first half 2021 results
November 18, 2021 third quarter 2021 trading update

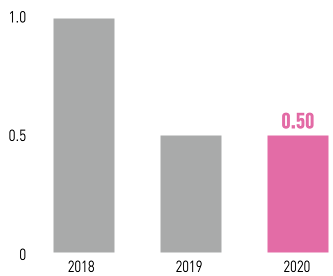
PAYOUT RATIO
(% OF BASIC EPS)



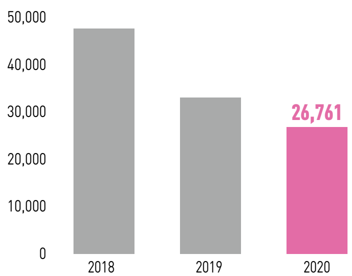
DIVIDEND YIELD (%)



GROSS DIVIDEND PER SHARE
AFTER SPLIT (EUR)



LIQUIDITY – AVERAGE DAILY VOLUME ON
THE STOCK MARKET (NUMBER OF SHARES)



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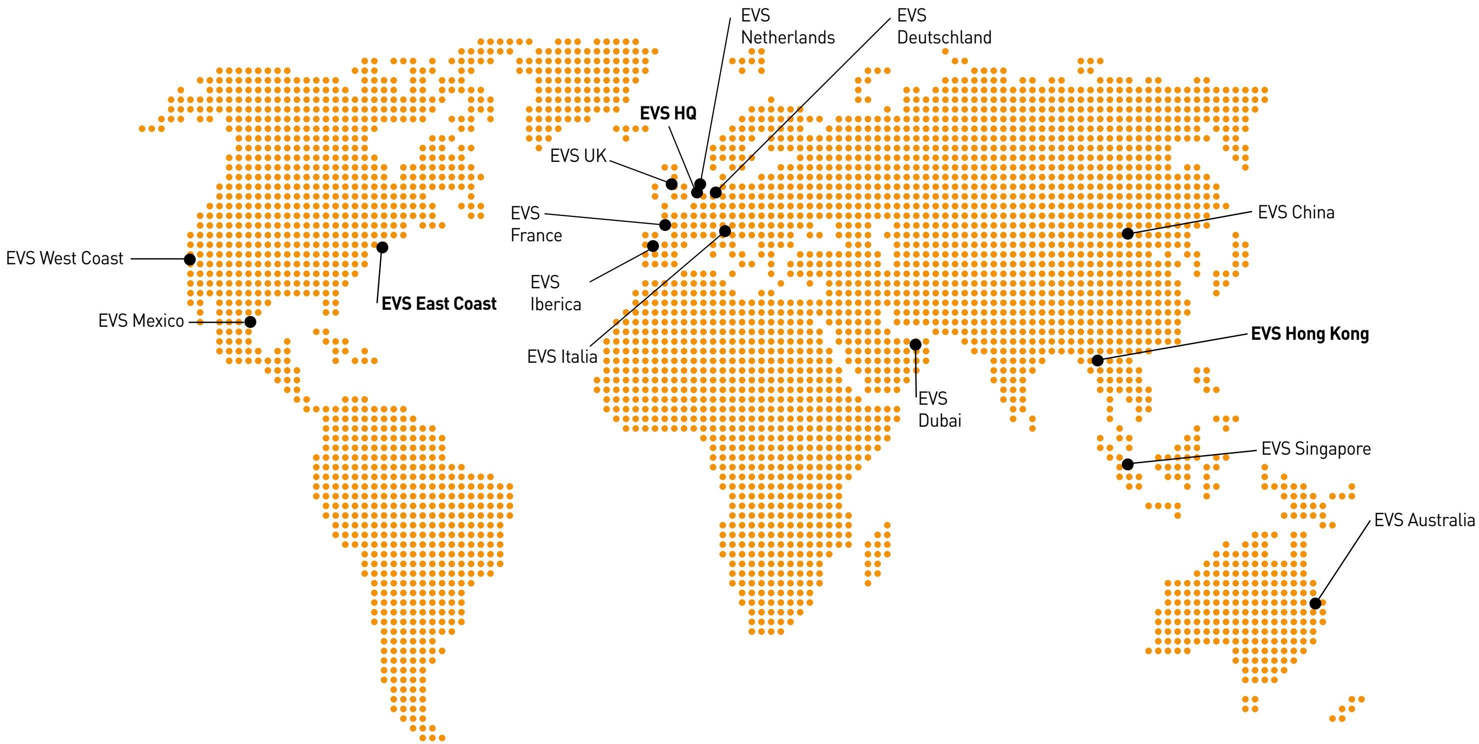

The Annual Report (management report, accounts and notes) is available on the EVS website (www.evs.com).
A paper copy can be obtained on request.
Version française disponible sur demande.

CONTACT

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CEO

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ANNUAL FINANCIAL **REPORT** 2020

EVS.COM

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MANAGEMENT REPORT

FINANCIAL REPORT

1. CONSOLIDATED KEY FIGURES – IFRS (EUR MILLIONS)

	2020	2019	2018	2020/2019
Revenue	88.1	103.4	116.1	-14.8
Gross margin %	66.5%	71.6%	71.1%	-
Operating profit - EBIT	5.7	23.0	28.1	-75.5%
Operating margin (EBIT) %	**6.4%**	**22.3%**	**24.2%**	-
Income taxes	2.8	-3.3	7.1	-185.3%
Net profit, group share	7.2	19.6	35.2	-63.4%
Net profit (%)	8.2%	19.0%	30.3%	-

2. HIGHLIGHTS

2020 was a special year as despite the impact of the pandemic, EVS remained profitable, and prepared itself to grow revenues and emerge stronger in 2021 thanks to a strong order book.
Indeed, the order intake in the last quarter was fairly strong giving us a solid order book as we enter 2021 thanks to LAB customers which represent the majority of the order book for 2021.

In 2020, EVS won large multi-million modernization contracts based on VIA platform, fully leveraging IP 2110 and/or micro-service including but not limited:
- Major US media group's broadcast center
- APAC large broadcast centers
- Sports broadcast center in Benelux
- News broadcast center in Benelux
- Studios of a large production company in WEU
- WEU large parliament

2020 was also the year where EVS acquired on April 30th Axon, the leader in media infrastructure products in order to complement EVS solution portfolio.
Synergies are already being materialized at a higher level than initially planned and the dynamic of the integration with two teams fruitfully collaborating to win more business.

For example, EVS won a key projects in the Media Infrastructure space such as the deployment of Cerebrum control system & Neuron stream processing at the core of CanalPlus France media center.

The transition to IP and 4k is progressing al well with some key deals won such as an important renewal project of a large US league sports center based on XT-VIA for 1080p & 4K as well as large 4K upgrade and extension with a major player in China.

With the pandemic, the acceleration towards remote production was clearly a main theme for the whole year. EVS supported its customers to adapt their live production workflows to the new reality by accelerating its solutions enabling remote production.

25 years after the first version of the legendary remote, EVS launched the LSM-VIA – the new replay and highlight remote control device of EVS, particularly fitting the needs of remote production. The product already won 2 awards and is a success as we currently experience a strong appetite from our operators community to produce content leveraging the new flexibility offered by the device.

Regarding the financial performance, despite lower revenues, EVS maintained profitability in 2020: Gross margin remained solid at 66.5%, following the integration of Axon. Despite inclusion of Axon costs for 8 months, operating expenses increased only by 1.9% YoY, thanks to strict cost management, careful headcount management, combined with lower recurring costs due to the COVID-19 situation.

2021 remains a challenging year to predict, considering the timing of the vaccine, the presence of different virus variants forcing authorities to organize long lockdown periods and the consequences on events and media industry.

In BER market pillar, EVS 2021 revenues will be influenced by the occurrence of the major summer sport events, representing around EUR 12.9 million of revenues. At this time, the events are still planned, and all the teams are preparing the infrastructure accordingly.
We expect a recovery in the LSP market with an order book on Dec 31st, 2020 higher than the one of 2019 at the same date.

Considering the order book, LAB is expected to be the structural market pillar supporting the growth of revenues in 2021 with continued modernization projects.

In 2021, we'll continue to implement the plans revised and improved in the context of the PLAYForward project and leverage fully the acquisition of Axon.

Cost management efforts will continue in 2021 while it will now include a full year of Axon costs.

EVS enters 2021 with a strong order book of EUR 54.2 million (including big event rentals).

At this stage and given the uncertainties linked to the COVID-19 situation and the resulting difficulties to make projections, no revenue guidance is provided.

OPEX is expected to slightly increase compared to prior year following the full year integration of Axon costs while keeping costs under control.

3. STRATEGY AND LONG TERM GROWTH DRIVERS

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

EVS will address a larger customer base thanks to:
- strengthened convergent solutions leveraging sports position to extend to news & entertainment, workflows,
- further development of its solutions for smaller customers thanks to tiered-level pricing,
- improved support of channel partners to address new and smaller customers.

EVS will finally progressively extend its product portfolio through strategic partnerships and acquisitions to extend its footprint for both existing and new customers in different segments.

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

4. REVENUE

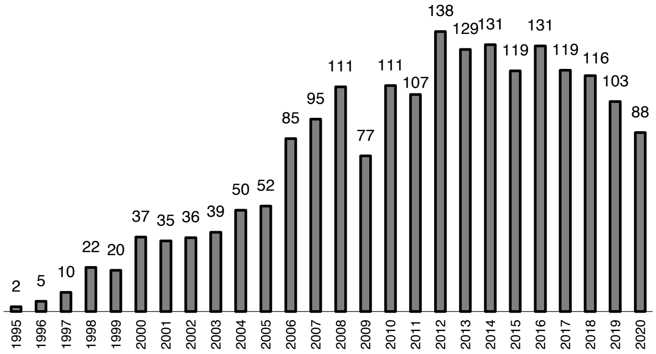
EVS revenue amounted to EUR 88.1 million in FY20, a decrease by 14.8% compared to 2019 (-14.3% at constant currency and excluding the big event rentals). Out of the 2020 revenue, Live Service Providers, the most impacted by the COVID crisis had their revenues decreasing by 39% YoY. It is representing 34.2% of total group sales in FY20 (vs 48.1% in 2019).
Live Audience Business saw their revenues increase by 8.3% YoY. It represented 64.3% of the total revenues (vs 50.6% in 2019). Following the postponement of the 2020 summer big events, Big events rentals amounted only to EUR 1.3 million in this particular event year (mainly relating to the youth winter olympics), compared to EUR 1.3 million in FY19. They represented 1.4% of total sales in FY20.

In 2020, in Europe, Middle-East and Africa ("EMEA"), sales (excl. big event rentals) amounted to EUR 41.0 million (-14.1% compared to 2019), representing 46.5% of group revenue.

Sales (excl. big event rentals) in Americas ("NALA") were EUR 26.5 million (-23.6% at constant currency).

In Asia & Pacific ("APAC"), sales (excl. big event rentals) were EUR 19.3 million (2.3% at constant currency).

Revenue evolution (EUR millions)



Revenue by geographical information

Revenue for the YTD period (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event Rentals	TOTAL
FY20 revenue	**19,315**	**41,002**	**26,526**	**1,268**	**88,111**
Evolution versus FY19 (%)	**+2.3%**	**-14.1%**	**-25.1%**	**-5.8%**	**-14.8%**
Variation versus FY19 (%) at constant currency	**+2.3%**	**-14.0%**	**-23.6%**	**-5.8%**	**-14.2%**
FY19 revenue	**18,879**	**47,744**	**35,431**	**1,346**	**103,400**

5. RESEARCH AND DEVELOPMENT

Research and Development ("R&D") expenses in 2020 were EUR 24.0 million, +6.2% compared to 2019 following the integration of Axon. These expenses represent 27.2% of revenue. In accordance with the group's accounting rules (Belgian and IFRS), these expenses are fully expensed in the P&L over the financial year. At the end of 2020, there were 272 full time equivalents employees working in 7 European sites. The group's strong vertical integration between the sales/support activities at the local level and the R&D enables rapid adaptation of products to ever changing customer needs. EVS priority in terms of R&D is to continue the development of efficient modular production platforms, which offer producers even more flexibility and quality when producing and broadcasting content to viewers.

Since 4Q10, EVS benefits from a withholding tax exemption given since 2006 by the Belgian government to companies paying or allocating compensation to individual researchers who are engaged in collaborative R&D programs according to some criteria defined under section 273 of the Code of income tax in Belgium. From 2011, in the presentation of the accounts, the amount relating to the current year comes as a deduction of R&D charges.

Since 2015, EVS also benefits from tax credits relating to R&D in France. This amount also comes in deduction of the R&D expenses. Since 2015, EVS also makes use of the investment deduction ("IPD") for part of its investments in R&D in accordance with sections 68 to 77 of the Belgian Income Tax Code. The tax benefit that this measure provides is recognized in income taxes. For more information on R&D expenses, please refer to note 6.3.

EVS is also benefiting since 2H2016 to benefit from the "Innovation box" regime in Belgium. This regime allows Belgian companies to benefit from deductions on profits generated by innovative revenue.

6. STAFFING

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

	Corporate Services	Research & Development	Sales & Marketing	Production & Operations	Total
Dec. 31, 2018	53	253	58	113	477
Dec. 31, 2019	59	237	58	110	464
Dec. 31, 2020	65	272	94	119	550

As of December 31, 2020, EVS had a total of 550 employees (full-time equivalents, including 6 managers ("membres du personnel de direction"), an increase of 18.5% compared with end of year 2019 following the integration of Axon. The total salary cost stands at EUR 40.2 million in 2020 as opposed to EUR 39.3 million in 2019. Throughout 2020, the average number of employees was 541, up 16.3% over 2019 (465) following the integration of Axon employees as of May 1st 2020.

7. RESULTS

7.1. 2020 key figures

IFRS - EUR million, except earnings per share, expressed in EUR	*1H20 Reviewed*	*2H20 unaudited*	2020 audited
Revenue	39.6	48.5	88.1
Gross margin	27.0	31.5	58.6
Gross margin %	68.2%	65.0%	66.5%
Operating profit – EBIT	3.3	2.2	5.7
Operating margin – EBIT %	8.3%	4.5%	6.4%
Net profit – Group share	3.3	3.8	7.2
Basic earnings per share	0.24	0.28	0.53

7.2. Comments on the results

Consolidated gross margin was 66.5% for FY19, compared to 71.6% in FY19 following the integration of Axon products into the product mix. Operating expenses increased by 1.9% YoY, thanks to strict cost management and careful headcount management despite inclusion of Axon costs for 8 months. The FY20 EBIT margin was 6.4% at EUR 5.7 million (or 7.7% at EUR 6.8 million excluding a one-time exceptional cost of EUR 1.1 million for the goodwill impairment from the SVS acquisition in 2014). Income taxes in FY20 amounts to EUR -2.8 million, resulting in an effective tax rate of -70.6%, mainly due to the reversal of accruals for uncertainties over income tax treatments, the innovation box regime in Belgium and other R&D tax incentives.
Group net profit amounted to EUR 7.2 million in FY20, compared to EUR 19.6 million in FY19. Basic net profit per share amounted to EUR 0.53 in FY20, compared to EUR 1.40 in FY19.

7.3. Data per share (EUR)

	2020	2019	2018	2020/2019
Weighted average number of subscribed shares for the period, less treasury shares	13,668,612	14,016,921	13,531,196	-2.5%
Basic net profit, group share	**0.53**	**1.40**	**2.60**	**-62.1%**

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

At the end of 2020, total equity represented 74.0% of total balance sheet. Inventories amounted to EUR 22.6 million. Lands and building mainly include the new headquarters in Liège. Depreciation on the building approximately amount to EUR 2 million on a full year basis. Liabilities include EUR 17.0 million of financial debt (including long term and short term portion of it), mainly relating to the Axon acquisition (EUR 5.0 million) and the lease liabilities following IFRS 16 implementation (EUR 11.8 million). EVS repays EUR 1.1 million per year for the loan ;

Net cash flow from operating activities reached EUR 17.0 million in 2020. At 31 December 2020, the Group's balance sheet showed EUR 52.7 million in cash and cash equivalents. This is a decrease compared to the end of 2019, following negative cash flows from the Axon acquisition and from the share buyback (EUR 7.9 million) in excess of the cash flows generated from the operating activities.

At the end of 2020, the capital was represented by 14,327,024 shares, of which 928,207 were owned by the company (at an average historical cost of EUR 19.21).

In 2020, the company repurchased 544,307 shares on the stock market (under a share buyback program started on October 25, 2018 which terminated on May 4th 2020 and under a new share buy back program which started on May 15th and terminated on November 9th, 2020). No shares were used to satisfy the exercise of warrants by employees. 16,280 shares were allocated to staff members under the profit-sharing program. In fact, as in previous years and within the framework of the law of 22 May 2001, the Ordinary General Meeting of May 19, 2020 decided to grant an exceptional advantage to its staff members through the profit-sharing program, equivalent to the grant of shares of the company up to EUR 0.3 million.

In 2020, 187,000 new warrants were granted to various staff members, there were no exercises and 167 warrants were cancelled. As of December 31, 2020, 325,832 warrants were outstanding with an average strike price of EUR 20.17 and an average maturity of March 2025. However, none of these warrants were exercisable at the end of December 2020 and/or in-the-money (with an exercise price below the share price as of December 31). The 325,832 existing warrants have a theoretical potential diluting effect of 2.2% on capital. This is more than covered by the 544,307 treasury shares.

9. PROVISIONS FOR RISKS AND CHARGES

As per December 31, 2020, EUR 1.2 million provisions were available to reasonably cover technical warranties.

10. RISK MANAGEMENT

EVS is exposed to many exogenous and endogenous risks detailed in the annexes of the annual financial report and in the paragraph 5.1 of the Corporate Governance statement. The management, the Audit Committee and the Board of Directors conduct regular analyses of the company's risk and take actions to minimize or neutralize the potentially negative effects.

Financial instruments used by the company are identified in the balance sheet and booked at fair value.

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

11. INVESTMENTS

EVS business does not require major investments in equipment. The group's policy is to own its premises in Belgium and primarily finance them through shareholders' equity and long term bank loans. As per December 31, 2020, the net book value of lands and buildings was EUR 51.7 million (including 8.8 million of right-of-use assets due to the implementation of IFRS 16).

12. CAPITAL AND SUBSIDIARIES

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

13. OUTLOOK 2021

Financial Guidance

Nor for LAB neither for LSP, we were expecting a major acceleration of the transition to UHD in 2021.

LSP continue to transition their infrastructure to UHD at a slower pace than initially anticipated and we do not expect major
upgrades ahead of the big sporting events this summer. The launch of the LSM-VIA remote and its IP capabilities will support transition to XT-VIA for LSP customers looking to deploy remote production solutions.
We expect a recovery in the LSP market with an order book on Dec 31st, 2020 higher than the one of 2019 at the same date.

LAB continue their transformation to face the media industry disruption, looking for broader and more flexible solutions and require
more support to deploy as well remote production solutions. . While EVS continues to capitalize on this - offering broader solutions, we don't expect a major increase of revenue in this market segment as customers remain under cost pressure.

Considering the order book, LAB is expected to be the structural market pillar supporting the growth of revenues in 2021 with continued modernization projects. We can also observe that we managed to increase our "long term order book" (beyond 2021), nearly doubling the ones of the 3 previous years. This result from the availability of OPEX offerings, SLA orders covering longer periods of time and multi-year revenue recognition linked to large modernization contracts. It is our intention to smoothly increase our recurring revenues by shifting some of our 'CAPEX' sales to long term recurring revenue sales.

Following the acquisition of Axon, leader in media infrastructure products, EVS is complementing its solution blueprint by offering a comprehensive solution starting with the infrastructure required for live production. This offering will addressed customers from both LSP and LAB market pillar. EVS expect its Media infrastructure solution to generate around EUR 20 million of revenues in 2021.

In BER market pillar, EVS 2021 revenues will be influenced by the occurrence of the major summer sport events, representing around EUR 12.9 million of revenues. At this time, the events are still planned, and all the teams are preparing the infrastructure accordingly.

The order book (to be recognized in revenue in 2021) amounts to EUR 31.3 million as of Dec 31st 2020, which is +48.2% (excl. big event rentals) compared to last year at the same date (Dec 31st). EVS also has EUR 12.9 million of order book for big events rentals related to events postponed into 2021.
In addition to this order book to be invoiced in 2021, EVS already has EUR 10.0 million of orders to be invoiced in 2022 and beyond.

Given the above dynamics an uncertainty about how this crisis might unfold and how long it may last, EVS has decided at this stage not to provide revenue guidance for the year 2021.

Operational expenses continue to be closely managed and EVS expects those costs to slightly increase compared to 2020 following the integration of Axon for a full year, a normalization of travel costs in the second part of the year and variable bonuses for 2021.

Given the unpredictability of the potential ongoing impact of the virus outbreak on 2021 outlook, the management has made different scenarii of revenues and expenses for the next 12 months, including potential impacts on its liquidity. Thanks to its strong net cash position supported by a high level of cash and cash equivalent combined with low debt levels, these scenarii do not put in question the ability of EVS to continue as a going concern.

14. SUBSEQUENT EVENTS

On March 2021 8, 2021 EVS and its CFO Yvan Absil have decided to end their collaboration "by mutual agreement". An interim manager has been appointed until the choice of his successor. This decision was published in L'Echo at the same date.

15. PROPOSALS BY THE BOARD TO THE SHAREHOLDERS

The Board of Directors has decided to communicate the intention to pay stable dividends subject to reasonable market conditions. Considering the exceptional market conditions resulting from the Coronavirus outbreak, the board of directors of EVS decided to cancel the payment of the final 2019 gross dividend of EUR 0.50 foreseen for May 2020 which has been approved by the ordinary shareholders meeting on 19 May 2020.

For 2020, given the exceptional market condition resulting from the Coronavirus outbreak, the Board of Directors will propose to the shareholders, at the Ordinary General Meeting of May 18, 2021, the approval of the distribution of a total gross dividend per share of EUR 0.50.

The Board of Directors also proposes to grant around 3,016 shares in total to the employees within the framework of the law relating to profit-sharing schemes.

CORPORATE GOVERNANCE STATEMENT

This section of the annual report summarizes the rules and principles of good corporate governance established by EVS, in accordance with Belgian Company and Association Code (and the law of April 6, 2010), articles of incorporation and the Charter of Corporate Governance. It also focuses on activities related to the year 2020.

1. CORPORATE GOVERNANCE CHARTER

Already in 2006, the Board of Directors of EVS Broadcast Equipment approved a Corporate Governance Charter ("Charter"), which has been updated in 2016 (and end of 2019 with effect in 2020 further to the 2020 Belgian Corporate Governance Code). Until 31 December 2019, this Charter was based on the 2009 Belgian Code on Corporate Governance ("The 2009 Code"). The Board has reviewed this Charter in view of the 2020 Belgian Corporate Governance Code and will continue to do so whenever needed. This document and its update is fully available on the group's website (www.evs.com).

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

2. BOARD OF DIRECTORS

The members of the Board of Directors are appointed for a term between 1 and 4 years. On December 31, 2020, the Board of Directors was made up of 7 members. Decisions are taken by a majority vote. In the event of a tie, the Chairman or his representative has a casting vote. In the case of a conflict of interest, the people involved do not take part in the debates and in the vote.

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

On May 19, 2020, the Ordinary General meeting has appointed Johan Deschuyfelleer, representing The House of Value – Advisory & Solutions BV as Director. The Board of Director then elected Johan Deschuyffeleer as President of the board

Following the departure of two directors announced early January 2020, the Board has decided that it will not replace these 2
directors for the time being.

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

In 2020, the Board met 9 times and notably discussed the following matters: strategic review, changes in management, , R&D and product developments, monitoring subsidiaries, liquidity management, assessing the impact of the Covid situation on the employees, business and treasury position of the company, 2020 business updates, the 2021 budget, examining acquisition and partnership projects, preparing press releases and preparation of General Meetings, management of Directors' mandates and evaluation of the functioning of the Board.

3. SPECIALIZED COMMITTEES ATTACHED TO THE BOARD

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

3.1. Audit Committee

The Audit Committee is composed of four non-executive Director. This committee assumes the missions described in the Article 7:99 of the Belgian Company and Association Code. More generally, it assists the Board of Directors in its responsibilities concerning the integrity of the financial information relating to the company and, in particular, supervising the financial reports, the internal audit function, the external audit function and the relations between the company and its shareholders. The Audit Committee met 4 times in 2020 in the presence, for most of the topics, of the CEO, CFO and the company's Auditor.

In accordance with the Article 3:6 of the Belgian Company Code, within the Audit Committee, Philippe Mercelis (having more than 30 years of experience in financial services industry, Chantal De Vrieze (Certificate in law, and many years of experience in executive functions, incl. in the Altran and Econocom groups), Martin DePrycker (holding a Ph.D in Computer Sciences, as well as a MBA from the University of Antwerp) and the president of the board who is also a member of the audit committee have the competencies in accounting and audit.

3.2. Remuneration Committee

The Remuneration Committee is composed of the CEO (invited) and four non-executive independent directors. This committee assumes the mission described in the article 7:100 of the Belgian Company and Association Code. More generally, it assists the Board of Directors in its responsibilities concerning the remuneration policy setting, reviewing and setting the remuneration for the company's executives and managers as well as the long terms incentives and variables and bonus policy. The members of this committee met 7 times in 2020.

On December 31, 2020, the Board of Directors was made up as follows:

		Director since	Audit Committee	Remuneration Committee	Term of mandate	Activities in 2020	
						Attendance Board meetings	Attendance Committees
Michel COUNSON	Managing Director	1994			May 2024	9	0
Innoconsult bvba, represented by Martin DE PRYCKER	Independent Director	2016	Member	Member	May 2024	9	11
7 Capital sprl, represented by Chantal De VRIEZE	Independent Director	2017	Member		May 2021	9	4
MMBu, represented by Patricia LANGRAND	Independent Director	2017			May 2021	8	0
Philippe Mercelis	Independent Director	2019	Chairman	Member	May 2023	9	10
Accompany You sprl, represented by ANNE CAMBIER	Independent Director	2019		Chairman	May 2023	9	7
The House of Value – Advisory & Solutions BV, represented by Johan Deschuyfeleer	Independent Director	19/05/2020	Member	Member	May 2024	6	5

Michel COUNSON (1960)
CTO Hardware and Managing Director of the company, Michel COUNSON graduated from the “Institut Electronique” in Liège in 1982. He started his career as a Hardware Engineer with TECHNIQUE DIGITAL VIDEO S.A. in 1983 before founding his own company, VIDEO SYSTEM ENGINEERING S.P.R.L., in 1986 which used to work in partnership with EVS on numerous projects. The two companies merged in 2000.

Martin DE PRYCKER (1955)
Martin De Prycker (representing InnoConsult bvba) has been appointed as Board Observer of EVS in November 2015. He is Independent Director of EVS since May 2016. He is Managing Partner at Qbic Fund (an interuniversity fund supporting spin-off companies in Belgium) and Managing Director at Innoconsult (consultancy firm specialized in Innovation Management and ICT solutions). Between 2009 and 2013, he was Founder & CEO of Caliopa (a startup in silicon photonics allowing the transport of hundreds of Gbps on optical fiber). Between 2002 and 2009, he was CEO of Barco (display hardware and software manufacturer based in Belgium). Under his leadership, he focused and made the company grow in markets using displays, and spinning off the non-core product lines. Prior to that, he was CTO and member of the Executive Committee of Alcatel-Lucent. Before becoming CTO of Alcatel-Lucent, he was responsible for establishing Alcatel-Lucent's worldwide market leadership in the broadband access market. He is a member of the Board of Directors of Proximus, Newtec (Belgian company designing, developing and manufacturing equipment and technologies for satellite communications), Anteryon, Track4C and Venture Spirit. Mr De Prycker holds a Ph.D in Computer Sciences, a M.Sc. in Electronics from the University of Ghent, as well as a MBA from the University of Antwerp.

Chantal DE VRIEZE (1961)
Chantal De Vrieze (permanently representing 7 Capital sprl) is CEO of Econocom Benelux since October 2016. She started her career in 1984 at AGFA, then Banque Van Breda, where she gained a solid background in Sales and Marketing. Between 2003 and 2015, she successively served as Sales Director, Managing Director of Econocom Benelux and a member of the Board of Directors of Econocom Group (European provider of B2B digital solutions). In June 2015, she became Country Manager of Altran Belgium (international consulting group for innovation and advanced engineering). She is graduated in law from the University of Ghent. She is also a member of the Board of Directors of Axa Belgium, Guberna (Belgian Institute of Directors) and Agoria, and a member of the FEB Strategic Committee.

Patricia LANGRAND (1963)
Patricia Langrand (permanently representing MMBu) is currently Managing Director of her own consulting firm MMBu. She started her career with France Telecom, where she held several positions including Strategic Marketing Director. From 1996 to 1999, she was Assistant Director of Consumer Electronics, Audiovisual, Networks and Telecom for the Ministry of Economy, Finance and Industry. In 1999, she became Chief Digital Officer & Chief Technical Officer of Canal + Group. At the end of 2002, she joined the Executive Committee of Orange as CEO of the Group's Digital Media & Entertainment activities. From 2009 to 2015, she was Executive Vice-President of Steria Group (leading European Digital Services Company), in charge of innovation, business development, marketing and communication. She is graduated from Ecole Polytechnique (X- Paris) and Telecom ParisTech.. She is also a member of the National Digital Advisory Board (France)

Philippe MERCELIS (1963)
Philippe Mercelis started his career at ING (formerly named "BBL") in 1987. He held various positions such as back office management, product management lending B2B, B2B marketing director and various commercial functions in both commercial banking and insurance sectors. He had also been a director and member of the executive committee of ING Lease and ING Commercial Finance.
In addition to these duties, he held various positions, notably with Private Equity and Public Investment Funds.
Philippe Mercelis is currently Head of Corporate Banking Brussels - Brabant at Belfius Bank.

Anne CAMBIER (1970)
Anne Cambier, (permanently representing Accompany you SRL) is director of her own business consulting company. Throughout her career, she has gradually developed a passion for the human aspects of the business, with a specific focus on competencies and leadership models in the context of technological shift.
From 1999 until 2015, Anne worked for Orange Belgium, where she contributed to the rapid growing of the mobile telephony in Belgium. At Orange, before taking her responsibility as Chief People Officer, she developed a broad transversal business knowledge by leading several activities in commercial, customer operations, supply chain and procurement.
Anne started her career in 1992 at Accenture, working for several corporate clients in Europe, mainly in the industrial and utilities sectors.
She holds a Civil Engineering degree in Applied Mathematics from the Ecole Polytechnique of Louvain (UCLouvain) and an executive Master in Management from Solvay Brussels School (SBS).

JOHAN DESCHUYFFELEER (1958)
Johan Deschuyffeleer (permanent representative of The House of Value BVBA - Advisory and Solution BV) has more than 35 years of international experience in the ICT and technology sector.
After several positions at the beginning of his career - as engineer and manager at Siemens and Hewlett-Packard - Johan has been Managing Director Belux at Compaq. Afterwards, Johan returned to Hewlett Packard first as Managing Director Belux to subsequently shape the global sales strategy from the Silicon Valley. He has then headed the Technology Services EMEA and later the Technology Consulting WW. Johan is currently Chairman of the Board of Directors of Orange Belgium and Director at AE, Automation and GIMV.

Johan has an industrial engineering degree and has also followed a course in Middle Management at the Vlerick Management School.

4. DAY-TO-DAY MANAGEMENT

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

4.1. Executive Committee

On December 31, 2020, the Executive Committee was composed of:

- Innovision BV, represented by Serge VAN HERCK, CEO
- Sbasyva, Srl, represented by Yvan ABSIL, CFO
- Seremia Srl, represented by Axel BLANCKAERT, CTO
- Ikaro Srl, represented by Nicolas Bourdon, CMO
- RCG Srl, represented by Quentin Grutman, CCO
- M2C Srl, represented by Pierre Matelart, Head of HR

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

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

The company, conscious of the importance of ensuring a certain diversity in its staff, also continued to work on the diversity of age, educational and professional background as well as geography of its executive committee and EVS top management team in general, including the diversity of professional skills in particular. In 2020, our EVS extended management team (known as the skippers' team) is diversified from several angles: Its size, extended to 42 members with an increase in skills in management, transformation, technologies, software and services as well as a diversity of geography and an international exposure of its members.

4.2. Operational management of subsidiaries

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

5. CONTROL OF THE COMPANY

5.1. Internal control and risk management systems

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

- The assessment, with the auditor, of his audit reports and, if necessary, the request of additional information and clarifications, and the set-up of corrective actions;
- The assessment, with the auditor and the Audit Committee, of the processes that are at risk in the preparation and remediation of the financial statements;
- The ongoing monitoring of activities, operating results and financial risks of the company (including the financial position of the company, the exchange rate risks), including within the various subsidiaries of the group;
- Monitoring the price of components and of relationships with suppliers;
- Managing the information systems;
- Monitoring of rules for the prevention of market abuse, compliance with these rules and any violations;
- Monitoring regulations and laws, including the monitoring of potential litigation, and possible financial implications thereof;
- The process for the preparation of the consolidated accounts is centralized at the group's financial function level. All information necessary for this process come from widely used software in the market. Control procedures are in place to ensure that it is thoroughly mastered.

5.2. External audit

Since the Ordinary General Meeting of May 17, 2016, the audit of the statutory and consolidated accounts of EVS Broadcast Equipment SA is carried out by EY Reviseurs d'Entreprises SRL (B-00160), represented by Marie-Laure MOREAU (A-01729), Belgian Réviseur d'Entreprise. The mandate of the Auditor is for three years. It has been renewed for 3 years in May 2019.

In 2020, all fees related to the Auditor of the parent company, EY Reviseurs d'Entreprises SRL (B-00160), represented by Marie-Laure MOREAU and its associates, amounted to EUR 106,743 in aggregate for their duties as Auditor, including special reviews following the acquisition of Axon in 2020.

6. SHAREHOLDING (AS OF DECEMBER 31, 2010)

The situation as it appears from the last official ownership statements received by the company and the situation of treasury shares as of December 31, 2020 is as follows:

Shareholder	Number of shares	% statutory basic [1]	% statutory diluted [2]
Michel Counson	835,906	5.8%	5.7%
Treasury shares EVS	928,207	6.5%	6.4%
Degroof Petercam Asset Management	707,679	4.9%	4.8%
Schroders Plc	430,456	3.0%	2.9%
Norges Bank	423,428	3.0%	2.9%
Belfius Insurance	351,012	2.4%	2.4%
Ennismore Fund Management	435,497	3.0%	3.0%
Undeclared	10,214,839	71.3%	69.7%
Total	**14,327,024**	**100.0%**	
Total excl. Treasury shares	**13.398.817**		
Outstanding warrants as of Dec. 31	325,832		2.2%
Total diluted	14,652,856		100.0%
Total diluted, excl. treasury shares	13,724,649		

[1] As % of the number of subscribed shares, including the treasury shares.
[2] As % of the number of subscribed shares, including the outstanding warrants and the treasury shares.

Since December 26, 2018, the capital of EVS is currently represented by 14,327,024 shares. There is only one category of shares, having the same rights. More information on the EVS capital is available in the note 19 of the consolidated accounts. On December 31, 2020, EVS had 928,207 own shares. According to Euroclear and the EVS Shareholders Register, there were 1,282,751 registered shares of which 811,528 are owned by Michel Counson (who also own 24,378 dematerialized shares), 4,224 by EVS, 88,401 by the EVS employees under the profit sharing scheme and the remaining balance by 13 shareholders. In the EVS accounts at Euroclear, there were 13,044,273 dematerialized shares.

Shareholders must declare their ownership in EVS shares as soon as their shareholding passes over/under the 3% threshold (required by the company Statutes) and any multiple of 5% thresholds (required under Belgian law). The shareholding percentage must be computed on the basic number of outstanding shares (i.e. 14,327,024 shares at the end of 2020).

7. GENERAL MEETINGS

Each year, EVS holds its Ordinary General Meeting on the third Tuesday of May. In 2020, due to the Covid-19 pandemic, it was held on May 19 through a video conference system on the basis of Royal Decree No. 4 of April 9, 2020 laying down various provisions relating to coownership and company and association law in the context of the fight against the Covid-19 pandemic. Overall, 121 shareholders were present or represented, representing 4,377,195 shares, or 30.6 % of the share capital of EVS. All resolutions were approved at an average rate of 89.5% votes in favor.

For any proposal to amend the articles of associations, the company must invite its shareholders to attend an Extraordinary General Meeting. This assembly can validly cast only if 50% of shares are present or represented. If this is not the case, a second Extraordinary General Meeting shall be convened and will be able to vote, regardless of the percentage of shares present or represented. Decisions will be made to the majorities prescribed by law.
An Extraordinary General Meeting was held on May 19th 2020 but did not reach the required quorum. A second Extraordinary General meeting has been convened on June 8, 2020. Overall, 84 shareholders were present or represented, representing 4,111,586 shares, or 28.7 % of the share capital of EVS The unique resolution around the issuance of subscription rights has been approved with a rate of 77.7% of votes in favor.

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

8. DIVIDENDS AND PROFIT ALLOCATION POLICY

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

For 2020, given the same exceptional market condition resulting from the Coronavirus outbreak, the Board of Directors will propose to the shareholders, at the Ordinary General Meeting of May 18, 2021, the approval of the distribution of a total gross dividend per share of EUR 0.50.

The Board of Directors also proposes to grant around 3,016 shares in total to the employees within the framework of the law relating to profit-sharing schemes.

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

9. RESPECT OF THE BELGIAN CODE ON CORPORATE GOVERNANCE

EVS has adopted the Belgian Code on Corporate Governance 2020 as reference code to which EVS commits to comply, subject to certain aspects about the company will communicate appropriately. In accordance with the "comply or explain" principle laid down in the said Code, the board of directors reserves the right to assess and adjust the application of these standards of good governance with regard to EVS' field of activity, its capabilities and its related constraints, as explained below:

- With respect to executive directors, the board of directors undertakes to consider the possibility and the implications of setting a minimum threshold for shares that executives must hold, it being agreed that a final decision will only be made effective in 2021 at the soonest after a study was carried out on that subject matter.
- Regarding the non-executive directors, the board of directors will consider the possibility and the implications of allowing the non-executive director to receive a portion of his remuneration in the form of shares of the company. These shares would be retained at least one year after the non-executive director has left the board of directors, and at least three years after their award, it being agreed that a final decision will not be made in this regard until 2021 and after a study was carried out about it.
- Depending on the needs of the company, the audit committee meets at least twice a year. Every three years, it reviews its operating rules, evaluates its own effectiveness and recommends necessary adjustments to the board of directors. Given the changes that the company has undergone in recent years, the current audit committee notes that such mission has not always been completed in the past. The current audit committee has therefore undertaken to define the evaluation criteria and the analyses to be carried out for this purpose. The first evaluation that will result from these analyses cannot be scheduled before 2021.
- At least once a year, the executive management is supposed to submit to the audit committee the monitoring of the effectiveness of the company's internal control and risk management systems so that the audit committee can verify that the main risks (including those relating to fraud and compliance regarding the existing legislation and regulations) are properly identified, managed and disclosed. Given the changes that the company has undergone in recent years, the current audit committee notes that such mission has not always been completed in the past. For this reason, the current audit committee has requested that this mission be the subject of a preliminary process of confirming its scope and responsibilities through the Risk Program Project. As a result, the current audit committee will not be able to reactivate and fully enforce this mission until 2021.
- In principle, the Head of Tax, Accounting - Controlling (which reports to the CFO) performs the internal audit functions. The audit committee makes recommendations on the selection, appointment, reappointment and removal of the head of internal audit and should monitor management's responsiveness to the audit committee's findings and recommendations. Given the changes that the company has undergone in recent years, the current audit committee notes that such mission has not always been completed in the past. For this reason, the current audit committee has requested that this mission be the subject of a preliminary process of confirming its scope and responsibilities through the Risk Program Project. As a result, the current audit committee will not be able to reactivate and fully enforce this mission until 2021.
- The audit committee should review the internal auditor's work program, having regard to the complementary roles of the internal and external audit functions. It should receive internal audit reports or a periodic summary thereof. In the past, no periodicity had been agreed in this regard. For this reason, a program of internal audits and presentations within the committee has been planned. If needed, the audit committee reviews the effectiveness of the internal audit. Given the changes the company has undergone in recent years, the current audit committee notes that such review has not always been completed in the past. The current audit committee will therefore undertake to define the evaluation criteria and analyses to be carried out for this purpose. The first review that will result from these analyses cannot be scheduled before 2021.
- In principle, the Code of Corporate Governance recommends that shares cannot be awarded definitively, and that options cannot be exercised less than three years after they are awarded. The company has decided to step aside from this recommendation as part of its remuneration policy in the past as it it believed that this advantage is beneficial to the loyalty and motivation of members of its executive management. This deviation has however not been applied for the warrants granted in 2020.

REMUNERATION REPORT

1. THE DIRECTORS

1.1. Remuneration policy

Non-executive Directors receive an annual fixed amount, eventually on a pro rata basis. This fixed amount includes the participation to 6 meetings per year. The non-executive Directors also receive, as remuneration for the execution of their mandate, a fixed amount for each Board meeting (above 6 meetings per year) and special committee meeting attended.

The Company and its subsidiaries do not provide any personal loans, guarantees and such to the members of the Board of Directors or the Executive Team. If Directors are charged with special tasks or projects, they are entitled to receive an appropriate remuneration for those activities, which is notably the case for the Executive Directors.

The policy and the remuneration of the Directors are approved by the Ordinary General Meeting. The Ordinary General Meeting of May 2016 unanimously approved the increase of the remuneration of the Board of Directors, proposed based on comparisons made with comparable companies, and with the aim of professionalizing even more the governance of the company.

The Ordinary General Meeting of May 2020 unanimously approved the granting to the members of the Board of Directors of an additional global remuneration of EUR 15,000 per year for all members of the Board of Directors for the performance

of exceptional tasks in the context of their function as director as validated by the Board of Directors (such as, in particular, interviews, preparation meetings and other internal meetings other than meetings of the Board of Directors or of a Committee (Audit, Remuneration or Strategic)). This amount will be allocated by the Board of Directors among its members according to the number and importance of exceptional missions actually carried out by each of them.

1.2. Remuneration in 2020

Since the Ordinary General Meeting of May 2016 (with effect as of January 1, 2016), the remuneration is fixed as follows:

- Fixed annual remuneration of EUR 20,000 per Director (resp. EUR 40,000 for the Chairman of the Board of Directors), covering up to 6 meetings per year.
- Above 6 meetings for a full year of presence, a variable fee of EUR 1,500 per attendance to a Board meeting for each non-executive Director.
- Fixed annual remuneration of EUR 2,000 for the Chairman of a Committee.
- Variable fee of EUR 1,000 per attendance to a Committee meeting (Audit, Remuneration or Strategy) for each non-executive Director.
- A fixed fee of EUR 500 per interviews conducted during the year for the search of the President of the Board of Director
- The fixed amounts are adjusted pro rata temporis according to the appointment/resignation date during the year.

No termination compensation is provided for non-executive Directors at the end of their mandate. Non-executive directors do not receive any shares, warrants or stock options.

In 2020, Directors received the following compensation for the execution of their mandate:

		Fixed amount		Variable amount linked to attended meetings		Other	TOTAL 2020
		Board of Directors	Special committees	Board of Directors	Special committees		
Non-executive							
Innoconsult bvba, represented by Martin DE PRYCKER	Independent Director	20,000		4,500	11,000	1,000	36,500
7 Capital sprl, represented by Chantal DE VRIEZE	Independent Director	20,000	-	4,500	4,000	500	29,000
MMBu, represented by Patricia LANGRAND	Independent Director	20,000	-	3,000		500	23,500
Acompany You, represented by Anne CAMBIER	Independent Director	20,000	2,000	4,500	7,000	1,000	34,500
Philippe MERCELIS	Independent Director	27,650	2,000	4,500	10,000	500	44,650
The House of Value – Advisory & Solutions BV, represented by Johan Deschuyfeleer	Independent Director	24,699	5,000				29,699
Executive							
Michel COUNSON	Managing Director	20,000	-	-	-		20,000
TOTAL							217,849

As of December 31, 2020, based on the last statements received by the company and the latest modification of the shareholders' register, the members of the Board of Directors held, directly or indirectly, 835,906 shares of a total of 14,327,024, or 5.8% of the capital.

1.3 Comparative information on the evolution of compensation and company performance

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

In €	**2016**	**2017**	**2018**	**2019**	**2020**
Remuneration Evolution					
Average remuneration of employees	77,867	72,122	74,778	81,572	72,095
EVS Performance					
EBIT (€ million)	46,2	34,9	28,1	23,0	5,7
ROCE	50,3%	36,3%	54,7%	27,3%	8,1%
Free cash-flow (€ million)	60,8	25,5	32,0	21,2	9,5

As defined by the law of April 28, 2020, the Group going forward will publish the ratio between the highest paid member of the management (CEO) and the lowest paid employee in Belgium. For 2020 this ratio is 9x

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

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

2. THE CEO AND THE OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT

2.1. *Remuneration policy*

"*We prefer equity than equality*". At EVS, our goal is not to offer equal but fair packages. We want to stay innovative, and to continue to listen to our Team Members while being aligned with our Employer Caring strategy. We want to take care of our Team Members the same way we would like them to take care of our customers.

At EVS, comparisons to the market are made with the median of the market, not the average. The benchmarks used are chosen according to the sector, the size of the companies and the location.

We want to make sure that our Reward strategy makes our Team Members feeling concerned by EVS' long term strategy.

The remuneration policy aims to attract, maintain and motivate competent and professional employees. For this reason, the amount of the remuneration is determined as a function of the tasks and responsibilities. The Remuneration Committee assesses annually the total remuneration and organizes additional meetings when needed. The level of remuneration is also compared to external references, either through studies or through external counsels.

criteria, as proposed by the Remuneration Committee, are evaluated by the Board of Directors annually and adapted when necessary.

The results of the Company are evaluated based on revenues and operational financial results of the past financial year. These criteria, as proposed by the Remuneration Committee, are evaluated by the Board of Directors annually and adapted when necessary.

The performance for all team members, including the CEO and the executive team is based on a clearly defined evaluation system based on the achievement of specific measurable objectives and the realization of the company expected performance. All goals are in line with the group strategy, the key values and the guidelines. The individual goals are determined annually at the beginning of the financial year. There is no provision of formal right of recovery of the variable remuneration awarded on the basis of erroneous financial information, for the benefit of the Company. The evaluation period is the last fiscal year, and the variable remuneration amount is determined at the end of the first quarter of the next year.

2.1.1. *CEO's remuneration*

As remuneration for his services, the CEO receives:

- a fixed remuneration,
- a variable remuneration according to the annual criteria, as approved by the Ordinary General Meeting of 19 May 2020, namely the achievement of predetermined and objectively measurable financial objectives over a period of twelve (12) months.

There is no advance for the variable remuneration for the CEO.

2.1.2. *Members of the executive management's remuneration*

For the other members of the executive management, a variable remuneration is granted according to the annual criteria, as approved by the Ordinary General Meeting of 19 May 2020, namely the achievement of predetermined and objectively measurable financial, performance and – in the case of the CCO - sales objectives over a period of twelve (12) months. For the coming years, the remuneration policy will be consistent with the one followed until now.

There is no advance for the variable remuneration for the members of the executive management.

In order to align the interests of the members of the executive management with the interests of the company and its shareholders, a part of the remuneration is linked to the results of the Company and another part to the performance. The contribution made by the members of the executive management to the development of the activities and the results of the group are a substantial part of the remuneration policy.

2.1.3. Other elements of the remuneration

The variable remuneration of the other Team Members is a financial compensation related to the performance of the Team Member and other performance indicators (Order Intake, EBIT, and so on). It is an incentive tool that can be used to motivate team members to perform well and is used in the frame of specific functions or for functions with managerial responsibilities.

Severance pay
In the case that severance pay amounts to more than 12 months of the fixed and variable remuneration (or more than 18 months based on a motivated decision by the Remuneration Committee), the allotment of this remuneration will be presented for approval to the General Meeting. For the members of the executive management, no severance pay conditions exceeding 12 months have been agreed. In the case of any potential severance, the remuneration will be determined based on applicable contractual provisions.

2.1.4. Other elements of the remuneration

Since approximately ten years, regularly, there is a grant of warrants for some Team Members of EVS. A rigorous process supervised by the Remuneration Committee manages the grant, promotes loyalty, ensuring balance and fair distribution.

The warrants are a type of equity compensation granted by companies to specific team members and executives.
These warrants give the team member the right, not the obligation, to buy the company's stock at a specified price for a definite period of time.
Objectives are clear: Align interests of team members and shareholders; Invest into EVS future and align our magnets; To thank the Team Member for how he/she embodies EVS values in his/her work and attitude; Encourage his/her motivation and EVS value creation; Stimulate the team member to contribute to the company's success; Put the collaboration forward to reach our company's goals; Empower Team Members to support cultural change; Attract and retain our talents

The warrants are granted according to the provisions identified in the law of 26 March 1999 concerning the Belgian action plan for job opportunities 1998. The exercise of warrants could result in the subscription of new shares in the event of a capital increase unless the Board of Directors decides to distribute shares that were purchased by the Company (warrants qualified as “sui generis”), which is often the case.

2.2. Compensation received in 2020

2.2.1. CEO

InnoVision BV, represented by Serge Van Herck, CEO received as compensation for a total amount of EUR 350,058. The CEO also received an exceptional bonus of EUR 44,125 for the year 2020 which represents 25% of the On-Target-Earnings of the CEO’s STI.

2.2.2. Other members of the executive management

For fiscal year 2020, the other members of the executive management were:

- InnoVision BV, represented by Serge VAN HERCK, CEO
- Sbasyva, Srl, represented by Yvan ABSIL, CFO
- Seremia Srl, represented by Axel BLANCKAERT, CTO
- Ikaro Srl, represented by Nicolas BOURDON, CMO
- RCG Srl, represented by Quentin GRUTMAN, CCO
- M2C Srl, represented by Pierre MATELART, Head of HR

The other members of the executive management received, in 2020, a fixed global compensation of EUR 1,408,615 (total company cost), including a contribution for pension of EUR 13,529 (see more details on the plan in note 6.3.1) and other benefits for EUR 27,907 (including medical insurance and company cars) and a global variable compensation of EUR 124.480 (total company cost) which represents less than 50% of their global On-Target-Earnings.

Warrants are awarded to the CEO and the other members of the executive management after the Board of Directors' approval upon the recommendation of the Remuneration Committee. In 2020, the CEO received 24,500 warrants. The other members of the executive management, received together 38,250 warrants.

3. CONFLICT OF INTEREST PROCEDURES

During the year under review, there was a conflict of interest according to the specific procedure provided for under Article 7:96 of the Belgian Company and Association Code for:

- Philippe Mercelis has declared during the meeting of the board of directors of 27 May 2020 having a potential conflict of interest with regard to the financing of an acquisition to the extent that his employer was one of the considered option to this effect. The procedure of Article 7:96 of the Belgian Company and Association Code has been followed as a result of which he has not participated to the deliberation or to the vote on this item.

RISKS AND UNCERTAINTIES

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

We distinguish primary and secondary risks.

1. PRIMARY RISKS

- We face competition and if we are unable to compete effectively, we may experience decreased sales or pricing pressure, which would negatively impact our future operating results.
- We derive a substantial majority of our revenues from customers in the broadcast industry that use our products for both production and transmission of television content. If we fail to generate continued revenues from this market or if there is a downturn in this market, our revenues could decline.
- We depend on sales of our XT and XS video server products. If market demand for these products does not continue, our future operating results could be harmed.
- Our business may be harmed if our contract manufacturers are not able to provide us with adequate supplies of our products.
- If we experience delays, shortages or quality issues from our component suppliers, our product sales could suffer.
- Our future success depends on our ability to attract and retain key personnel, and our failure to do so could harm our ability to grow our business.
- The average selling price of our products may decrease, which could negatively impact our operating results.
- Our end users require a high degree of product reliability. If we are unable to provide high quality products, our relationships with end users could be harmed.
- If we fail to develop and introduce new products or enhancements to existing products in a timely manner, or if we fail to manage product transitions, we could experience decreased revenues in the future.
- If we fail to respond to technological changes and evolving industry standards, our products could become obsolete or less competitive in the future.
- If our products do not interoperate with other systems, installations could be delayed or cancelled.
- Our products are highly complex and may contain undetected software or hardware errors, which could harm our reputation and future product sales.
- If we fail to manage our growth effectively, our business could be harmed.
- The outbreak of the coronavirus in 2020 and the results of the measures taken to contain the virus in 2021, could impact our financial performance of 2021 and the measurement of certain assets and liabilities. Accordingly, we may thus possibly need to record material adjustments in our accounts during 2021. Based on the facts known as of today, we have currently no knowledge of financial impacts on the 2020 financial statements
- We cannot exclude that the impact of the on-going coronavirus pandemic and although less and less probable, a global re-lockdown resulting from a global Wave 3, might severely impact our revenues and cash flow from operations, therefore potentially jeopardizing our going-concern assumption. The coronavirus pandemic could also result in the cancellation , or significant changes in the scope of the 2021 summer big events, impacting EVS ability to recognize all of the order back log related to these big events.

2. SECONDARY RISKS

- We may not be able to continue to maintain or increase our profitability and our recent growth rates may not be indicative of our future growth.
- Our quarterly operating results have fluctuated in the past and may continue to fluctuate in the future, which could cause our stock price to decline.
- We have significant international operations and derive most of our revenues from international customers, which exposes us to significant risks, including risks relating to currency fluctuations.
- Our future financial performance depends on growth in the markets for video servers and digital tapeless solutions. If these markets do not continue to grow at the rate that we forecast, our operating results would be materially and adversely impacted.
- Investment processes of our clients can be lengthy and unpredictable, which may make it difficult to predict sales in any particular quarter.
- Our use of open source software and other third-party technology and intellectual property could impose limitations on our ability to market our products.
- Failure to protect our intellectual property could substantially harm our business.
- If a third party asserts that we are infringing its intellectual property, whether successful or not, it could subject us to costly and time-consuming litigation or expensive licenses, which could harm our business.
- We are subject to governmental export controls that could subject us to liability or adversely affect our ability to sell our products in international markets.
- We are subject to environmental and other health and safety regulations that may increase our costs of operations or limit our activities.
- We may expand through acquisitions of, or investments in, other companies, each of which may divert our management's attention, result in additional dilution to stockholders or use resources that are necessary to operate other parts of our business.
- The issuance of new accounting standards or future interpretations of existing accounting standards could adversely affect our operating results.
- Maintaining and improving our financial controls and the requirements of being a public company may strain our resources and divert management's attention.
- We or one of our affiliate might require additional capital to support business operations, and this capital might not be available on acceptable terms, or at all.

The Board of Directors
Liège, April 7, 2021

CERTIFICATION OF RESPONSIBLE PERSONS

Serge Van Herck, CEO
Representing a BV

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 2020, 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.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Notes	2020 Audited	2019 Audited
Revenue	3	88,111	103,400
Cost of sales	6.2	-29,555	-29,316
Gross profit	**6.2**	**58,557**	**74,085**
Gross margin %		**66.5%**	**71.6%**
Selling and administrative expenses	6.4	-27,486	-27,926
Research and development expenses	6.3	-24,004	-22,603
Other income	6.6	152	93
Other expenses	6.6	-1,217	-89
Profit-sharing plan and warrants	6.4	-352	-530
Operating profit (EBIT)		**5,650**	**23,030**
Operating margin (EBIT) %		**6.4%**	**22.3%**
Interest revenue on loans and deposits	6.5	57	38
Interest charges	6.5	-833	-604
Other net financial income / (expenses)	6.5	-861	295
Share in the result of the enterprise accounted for using the equity method	5	339	169
Profit before taxes		**4,353**	**22,928**
Income taxes	7	2,833	-3,320
Net profit from continuing operations			**19,608**
Net profit		**7,186**	**19,608**
Attributable to :			
Non controlling interest			
Share of the group		**7,186**	**19,608**

EARNINGS PER SHARE *(in number of shares and in EUR)*	8	FY20 Audited	2019 Audited
Weighted average number of subscribed shares		13,668,612	14,016,921
Weighted average fully diluted number of shares		13,674,232	14,016,921
Basic earnings – share of the group		**0.53**	1.40
Fully diluted earnings – share of the group (1)		**0.53**	1.40

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR thousands)	2020 Audited	2019 Audited
Net profit	**7,186**	**19,608**
Other comprehensive income of the period		
Currency translation differences	-491	54
Other increase/ (decrease) (2)	-78	-592
Total of recyclable elements	**-569**	-537
Total comprehensive income for the period	**6,617**	**19,071**
Attributable to :		
Non controlling interest		
Share of the group	6,617	**19,071**

(1) The diluted earnings per share does include 187,000 warrants attributed in December 2020 and outstanding at the end of the year with an exercise price below the share price. These 187,000 warrants have maturity of October 2026. It does not include 138,832 warrants outstanding at the end of 2020 as these are not exercisable given the exercise prices were above the share price.

(2) Mainly as a net impact of deferred taxes due to change in actuarial assumptions for IAS 19 defined benefits pension plans.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

ASSETS (EUR thousands)	Notes	Dec 31, 2020 Audited	Dec 31, 2019 Audited
Non-current assets :			
Goodwill	10	2,832	1,125
Other intangible assets	11	7,041	173
Lands and buildings	12	51,662	49,365
Other tangible assets	12	5,034	4,344
Investment accounted for using equity method	5	1,760	1,421
Other amounts receivables	15	543	959
Deferred tax assets	7.3	8,725	6,570
Financial assets	13	395	353
Total non-current assets		**77,992**	**64,309**
Current assets:			
Inventories	14	22,579	16,823
Trade receivables	15	30,728	36,582
Other amounts receivable, deferred charges and accrued income	15	5,930	6,071
Financial assets	16	120	238
Cash and cash equivalents	17	52,668	59,010
Total current assets		**112,024**	**118,724**
Non-current assets classified as held for sale	18	-	-
Total assets		**190,016**	**183,033**

EQUITY AND LIABILITIES (EUR thousands)	Notes	Dec 31, 2020 Audited	Dec 31, 2019 Audited
Equity			
Capital	**19**	**8,772**	**8,772**
Reserves	19.6	149,309	142,149
Treasury shares	19.5	-17,835	-9,927
Total consolidated reserves		**131,474**	**132,221**
Translation differences	19.7	276	767
Equity, attributable to the owners of the parent		**140,522**	**141,761**
Non-controlling interest		**-**	**-**
Total equity		**140,522**	**141,761**
Provisions	21	1,299	1,636
Deferred taxes liabilities	7.3	1,389	19
Financial debts	20	12,251	6,070
Other debts	20	993	692
Non-current liabilities		**15,932**	**8,418**
Financial debts	20	4,713	6,725
Trade payables	22	5,775	4,870
Amounts payable regarding remuneration and social security		7,005	8,302
Income tax payable		2,259	4,282
Other amounts payable, advances received, accrued charges and deferred income	22	13,811	8,675
Current liabilities		**33,562**	**32,855**
Total equity and liabilities		**190,016**	**183,033**

CONSOLIDATED STATEMENT OF CASH FLOW

	Notes	2020 Audited	2019 Audited
Cash flows from operating activities			
Net profit, share of the group		**7,186**	**19,608**
Adjustment for:			
-Other income		18	-592
- Depreciation and write-offs on fixed assets	11, 12	6,658	5,483
- Write-off on goodwill	10	1,125	-
- Stock based compensation and ESOP	6.4	352	530
- Provisions	21	-337	-469
- Income tax expenses	7	-2,833	3,320
-Interests expense (+) / Income (-)	6.5	1,636	270
-Share of the result of entities accounted for under the equity method		-339	-169
Adjustment for changes in working capital items:			
-Inventories	14	-3,648	-1,709
-Trade receivables	15	8,204	-4,726
-Other amounts receivable, deferred charges and accrued income	15	-1,206	-1,122
-Trade payables	22	-1,446	-72
-Amounts payable regarding remuneration and social security		-1,671	903
-Other amounts payable, advances received, accrued charges and deferred income		4,184	1,244
-Conversion differences		-401	63
Cash generated from operations		*17,481*	*22,563*
Income taxes paid	7	686	-4,059
Net cash from operating activities		**18,167**	**18,504**
Cash flows from investing activities			
Purchase of intangible assets		-53	-25
Purchase of tangible assets (lands and building and other tangible assets)	12	-2,264	-1,352
Disposal of tangible assets		207	1,020
Business acquisitions		-10,255	
Other financial assets		-36	-17
Net cash used in investing activities		**-12,400**	**-374**
Cash flows from financing activities			
Reimbursement of borrowings	20	-4,590	-5,250
Proceeds from new borrowings	20	5,500	709
Payment of lease liabilities	20	-3,224	-3,600
Interests paid	6.5	-1,645	-609
Interests received	6.5	57	38
Dividend received from investee		-	32
Dividend paid - interim dividend	9	-	-6,914
Dividend paid - final dividend	9	-	-6,646
Other allocation		-300	-393
Acquisition (-) / sale (+) of treasury shares	19.5	-7,907	-5,177
Increase in shareholders’ equity		-	-
Net cash used in financing activities		**-12,210**	**-27,810**
Net increase in cash and cash equivalents		-6,342	-9,679
Net foreign exchange difference (included in Net increase in cash in 2020)		-991	208
Cash and cash equivalents at beginning of period		**59,010**	**68,482**
Cash and cash equivalents at end of period		**52,668**	**59,010**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, share of the group	Non-controlling interest	Total Equity
Balance as at January 1, 2019 (reported)	**8,772**	**136,601**	**-4,750**	**713**	**141,336**	**-**	**141,336**
Change in accounting policies (IFRS16)		-46			-46		-46
Balance as at January 1, 2019 (restated)	**8,772**	**136,555**	**-4,750**	**713**	**141,290**	**-**	**141,290**
Total comprehensive income for the period		19,017		54	19,071		19,071
Increase in shareholders' equity							-
Share-based payments		530			530		530
Operations with treasury shares			-5,177		-5,177		-5,177
Final dividend		-6,646			-6,646		-6,646
Interim dividend		-6,914			-6,914		-6,914
Other allocation		-393			-393		-393
Balance as per December 31, 2019	**8,772**	**142,149**	**-9,927**	**767**	**141,760**		**141,760**

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, share of the group	Non-controlling interest	Total Equity
Balance as at January 1, 2020 (reported)	**8,772**	**142,149**	**-9,927**	**767**	**141,760**	**-**	**141,760**
Change in accounting policies							
Balance as at January 1, 2020 (restated)	**8,772**	**142,149**	**-9,927**	**767**	**141,760**	**-**	**141,760**
Total comprehensive income for the period		7,108		-491	6,617		6,617
Increase in shareholders' equity		-			-		-
Share-based payments		352			352		352
Operations with treasury shares			-7,907		-7,907		-7,907
Final dividend							-
Interim dividend							-
Other allocation		-300			-300		-300
Balance as per December 31, 2020	**8,772**	**149,309**	**-17,835**	**276**	**140,522**		**140,522**

NOTES TO THE IFRS CONSOLIDATED FINANCIAL STATEMENTS

1. INFORMATION ABOUT THE COMPANY

1.1. Identification

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

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

The consolidated financial statements of EVS Broadcast Equipment SA as at December 31, 2020 were established by the Board of Directors of April 7, 2021. The Board of Directors is authorized to amend the consolidated financial statements up until the Annual General Meeting of Shareholders, scheduled to be held on May 18, 2021.

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

1.2. Public information

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

1.3. Corporate purpose of the company

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

2. SUMMARY OF THE IFRS SIGNIFICANT ACCOUNTING PRINCIPLES

2.1. Basis of presentation of the financial statements

The consolidated accounts of the group have been prepared on an historical cost basis, except for the share based payments (at the grant date), derivative financial instruments and contingent considerations, which are measured at their fair value. The consolidated accounts are presented in euros (EUR) and all the values are rounded figures to the nearest thousand unless otherwise indicated.

2.2. Statement of compliance

The consolidated accounts of EVS Broadcast Equipment SA and of its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

2.3. New standards, interpretations and amendments

During the current financial year, the group applied all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, that are relevant to its operations and effective for the accounting year starting on January 1, 2020. The group has not applied any new IFRS requirements that have been published but that are not yet effective.

Standards and interpretations applicable for the annual period beginning on or after 1 January 2020:

- Amendments to IAS 1 and IAS 8 *Definition of Material;*
- Amendments to IFRS 3 Business Combinations: *Definition of a Business;*
- Amendments to IFRS 9, IAS 39 and IFRS 7 *Interest Rate Benchmark Reform – Phase 1;*
- Amendments to references to the Conceptual Framework in IFRS standards.

The application of the above standards, interpretations and amendments did not have a significant impact on the Group's financial statements.

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2020

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU);
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU);
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU);
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU);
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU);
- Amendment to IFRS 4 Insurance Contracts – deferral of IFRS 9 (applicable for annual periods beginning on or after 1 January 2021);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (applicable for annual periods beginning on or after 1 January 2021);
- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions (applicable for annual periods beginning on or after 1 June 2020);
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU).

It is not expected that the application of the above standards, interpretations and amendments will have a significant impact on the financial statements.

2.4. Summary of changes in accounting policies

The Company consistently used the same accounting policies throughout all periods presented in its IFRS financial statements. There is no impeding change in accounting policy, at the exception of the first implementation of new norms, interpretations and amendments as described in note 2.3.

2.5. Consolidation principles

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

2.6. Subsidiaries

The subsidiaries are companies controlled by EVS, for which the following are met: (a) EVS has the power (legally or de facto) over the investee; (b) EVS is exposed or entitled to variable returns from its involvement with the investee; and (c) EVS's ability to use its power over the investee to affect the amount of returns it gets.
The subsidiaries are consolidated as from the acquisition date, which corresponds to the date on which the group took over control and up until such date as the exercise of this control ceases.

All companies over which control is exercised directly or indirectly are fully consolidated.
When a change occurs in the controlling power within a subsidiary, the consolidated accounts integrate the profit and loss up to the date which EVS Broadcast Equipment SA loses the control.

2.7. Interests in joint ventures and in associates

Joint ventures (in accordance with the processing prescribed by IFRS 11) as well as associates are recognized according to the equity accounting method.
These investments are carried in the balance sheet at the lowest value between that obtained by the equity method and the recoverable value. The group's share in the profit and loss of the joint ventures and of the associates is entered into the profit and loss account, in a distinct line "Share in the result of the enterprise accounted for using the equity method".
The financial statements of the joint ventures and of the associates are used by the group in order to apply the equity accounting method.
The financial statements of the joint ventures and of the associates are prepared on the same reporting date as the parent company, on the basis of similar accounting principles.

2.8. Summary of significant decisions and estimates

2.8.1. Decisions

To prepare financial statements in accordance with the group's accounting methods, management has made assumptions, in addition to those that call for recourse to estimates, some of which have a significant effect on the amounts recognized in the financial statements:

Research and Development costs: the group has considered that it cannot make a clear distinction between the research phase and the development phase of a project developed internally. Moreover, the group sells products in a market that is subject to rapid technological change, new product development and changing customer needs. Accordingly, the group has concluded that it cannot determine technological feasibility until the development stage of the product is nearly complete. For these reasons, R&D is expensed, not capitalized.

2.8.2. Recourse to estimates

In order to prepare the financial statements in accordance with the IFRS standards, it is up to management to establish a certain number of estimates and assumptions in order to determine the amounts reported in the financial statements and their notes. The estimates carried out on each reporting date reflect the conditions in force on these dates (for example: market price, interest rates and exchange rates).
Although these estimates are based on the best knowledge of management of the existing events and of the actions that the group could undertake, the real results may differ from these estimates.
The use of estimates is particularly applicable when performing goodwill impairment tests and evaluating any additions to the purchase price of past business combinations, determining the fair value of share-based payments, the evaluation of the deferred tax position and the determination of the percentage of completion of construction works.

2.9. Foreign currency translation

Each entity of the group determines its own functional currency and the elements included in the financial statements of each of the entities are measured by using this functional currency. The functional currency of EVS Broadcast Equipment SA as well as all of the subsidiaries is the euro, except for the EVS Inc. subsidiary, whose functional currency is the US dollar and Axon Digital Design LTD. subsidiary whose functional currency is the GBP.
The presentation currency of the financial statements of EVS Broadcast Equipment SA is the euro.

2.9.1. Financial statements of foreign companies

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

For the EVS Inc. subsidiary that operates in USD and Axon Digital Design LTD. subsidiary that operates in GBP, on the reporting date, the assets and liabilities are converted into the functional currency of the group (EUR) at the exchange rate in force on the reporting date, their equity is converted at historical exchange rate and their income statement is converted at the average exchange rate of the period. Any exchange differences resulting from this conversion are recognized directly under a different heading of the shareholders' equity.

2.9.2. Transactions in foreign currencies

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

2.9.3. Exchange rates used

USD / EUR exchange rate	Twelve months average	At December 31 (closing rate)
2020	1.1422	1.2271
2019	1.1195	1.1234
Variation	*+2.0%*	*+9.2%*

GBP / EUR exchange rate	Twelve months average	At December 31 (closing rate)
2020	0,8897	0,899
2020(*)	-	0,861
Variation	*N/A*	*+4,41%*

(*) The GBP historical rate consists in the applicable rate at the closing date of Axon Group acquisition (see note 10. Goodwill)

2.10. Business combinations and goodwill

Business acquisitions are accounted using the purchase method. The counterpart, transferred in connection with a business combination, is measured at fair value, which is calculated as the sum of the fair values at the acquisition date of the assets transferred by the group, the liabilities incurred by the group in favor of the former owners of the acquired company and the part of equity issued by the group in exchange for control of the acquired company. The acquisition-related costs are generally recognized in profit or loss as incurred.

When consideration transferred by the group as part of a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its fair value at the acquisition date and included in consideration transferred under the business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are recognized retrospectively, with corresponding adjustment to goodwill. The adjustments of evaluation periods result from additional information about facts and circumstances that existed at the date of acquisition obtained during the “evaluation period” (maximum of one year from the acquisition date).

Changes resulting from events after the acquisition date, such as the achievement of an earnings target, are not measurement period adjustments. In this case, the changes in fair value of contingent consideration meeting the definition of a financial liability are recognized in net income.

Goodwill is the difference between the cost of an acquisition and the share of the acquirer’s interest in the net fair value of the identifiable assets, certain liabilities and eventual liabilities. The goodwill is not depreciated but must be reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, in accordance with IAS 36.
If the share held by the company in the net fair value of the identifiable assets, liabilities and eventual debts of the acquired company exceeds the cost of the combination, the surplus is immediately recognized in the profit and loss account.

2.11. Intangible assets

Intangible assets acquired other than goodwill are recognized at cost.
Intangible assets with a finite useful life are depreciated on a straight-line basis over the duration of their economic utility (3 years for software, between 3 and 7 years for the other intangible assets) and reviewed for impairment testing each time there is a sign of impairment in the intangible asset.
The depreciation duration and method are reviewed every year. The carrying amounts of the intangible assets are reviewed for impairment when events or changes indicate that the carrying amount may not be recoverable.

2.12. Tangible assets

The buildings are recorded at cost. Their value is reduced with depreciation and is not subject to fair value revaluation. The cost includes fees and costs and capitalized borrowing. Subsidies that have been collected to finance the construction of the buildings are deducted from the cost of acquisition (see rules on capital subsidies).

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

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

The depreciation is calculated on straight-line basis over the estimated useful life of the asset. The useful life is examined on an annual basis.

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

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

The depreciation is calculated from such time as the asset is available for use. The carrying amounts of the tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If anything points to such a situation, and if the carrying amounts exceed the estimated recoverable value, the assets or the cash generating units are depreciated to be brought back to their recoverable value. Impairment losses are recognized in the profit and loss account.

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

2.13. Non-current assets held for sale

Non-current assets and groups supposed to be sold are classified as held for sale if their carrying amount will be recovered mainly through a sale transaction rather than through continued use. This condition is fulfilled only when the asset (or group held for sale) is available for immediate sale in its present condition, only subject to terms that are usual and customary for sales of such assets (or group held for sale) and that its sale is highly probable. Management must be committed to the sale and must expect that the sale qualifies for recognition as a completed sale within one year from the date of its classification.

Non-current assets (and groups held for sale) classified as held for sale are measured at the lower of their carrying amount and fair value less sale costs. They are not depreciated any more.

2.14. Inventories

Inventories are valued at the lower of cost and net realizable value.
Costs incurred in bringing stocks to the right place in the appropriate conditions are recognized as follows for both the current and previous year:

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

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

2.15. Trade and other receivables

Receivables are stated in the balance sheet at original invoice and subsequently are subject to impairment. For the trade receivables, EVS applies the simplified approach in calculating the impairment in accordance with the expected credit loss method which requires measuring the impairment based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.16. Other current and non-current assets

The other current and non-current assets are recognized at the depreciated cost.

2.17. Cash and cash equivalents

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

2.18. Treasury shares

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

2.19. Non-controlling interests

Non-controlling interests represent the share of the net profit and loss from the operations and the net assets of a subsidiary that are allocated to interests not held by the group, whether directly or indirectly via subsidiaries.

2.20. Interest-bearing loans and borrowings

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

2.21. Provisions

Provisions are recognized when the group has a present obligation (legal or implicit) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation value. When the group is expecting the repayment of the provision, the repayment is recognized as a different asset but only if this repayment is almost certain.
If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.22. Pensions and other post-employment benefits

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

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

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

2.23. Share-based payment

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

2.23.1. Equity-settled transactions

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

The cost of equity-settled transactions is recognized as an expense and is offset by a corresponding increase in shareholder's equity over a period that ends on the date on which the beneficiary becomes creditor of the grant.
The dilutive effect of outstanding options is reflected as additional share dilution in the computation of "fully diluted" earnings per share but only when they have a dilutive effect when the exercise price is below the average share price of EVS ordinary shares during the fiscal year.

2.24. Revenue from contracts with customers

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

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

As regards to the work in progress ("WIP") contracts, which include contracts with a value of more than 500 K€ and with 3 months duration at least, these contracts represent one single performance obligation and as its promises under the contracts relates to the creation of an asset for the customer the revenue should be recognized over time. The completion level of the projects is determined on a quarterly basis, depending on the effective level of completion of the specifications. This is the result of a dialogue between the Business Controller, the Project Manager, the legal department and the customer.

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

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

Interest revenue is recognized as interest accrues.
The dividends that are received from subsidiaries are recognized when the group has a right to receive that payment.

2.25. Leases (EVS as lessor)

The existence of a lease within an agreement is reported on basis of the substance of the agreement. Lease agreements are classified depending if the risks and rewards associated with owning the asset are with the lessee or the lessor.

2.25.1. Finance leases

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

2.25.2. Operating leases

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

2.26. Government grants

2.26.1. European Union grants

Subsidies from the European Union are recognized at their fair value where there is reasonable assurance that they will be received and that all the conditions will be satisfied.
When the grant relates to an expense item, it is recognized as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate.
When the grant relates to an asset, the fair value is deducted from the carrying value of the related assets.

2.26.2. Investment grants

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

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

2.27. Leases (EVS as lessee)

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

- obtain substantially all of the economic benefits from the use of the asset; and
- direct the use of the asset. To determine the duration of the lease, any options for renewal or termination were considered required under IFRS 16, taking into account the probability of exercising the option as well as whether it is under the control of the lessee.

At the start of the lease, the Group recognizes a right-of-use asset and a lease liability.
Right-of-use assets (RoU assets)
The group recognizes right-of-use assets on the date of the start of the contract, i.e. the date on which the asset becomes available for use. These assets are valued at the initial cost of the lease liability minus amortization and any depreciation, adjusted to take into account any revaluations of the lease liability. The initial cost of the right-of-use assets includes the present value of the lease liability, the initial costs incurred by the lessee, rent payments made on the start date or before that date, minus any incentives obtained by the lessee. These assets are depreciated over the estimated lifetime of the underlying asset or over the duration of the contract if this period is shorter, unless the group is sufficiently certain of obtaining ownership of the asset at the end of the contract.
Lease Labilities
The lease liability is valued at the present value of the rent payments that have not yet been paid. The present value of the rent payments must be calculated using the interest rate implicit in the lease if it is possible to determine that rate. If not, the lessee must use its incremental borrowing rate. The incremental borrowing rate is the interest rate that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.
Over the duration of the contract, the lessee values the lease liability as follows:

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

Short term leases (duration of 12 months or less) and low-value leases (leases of assets with a value below USD 5.000) are expensed by the Group when incurred.

2.28. Research and development costs

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

The markets in which EVS operates and which are characterized by a rapid evolution of used technologies and the impossibility to predict future benefits that on-going developments are likely to generate, lead the Board of Directors conclude that the criteria of IAS38.57 were not met. Consequently, development costs incurred in 2020 cannot be capitalized.

2.29. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualified assets are part of the cost of the asset. Other borrowing costs are recognized in the income statement for the year in which they occurred.

2.30. Income taxes

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

2.30.1. Current taxes

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

2.30.2. Deferred taxes

Deferred taxes are recognized using the variable carry-forward method, for all temporary differences on the reporting date between the tax base of the assets and liabilities and their carrying amount on the balance sheet.

Deferred tax liabilities are recognized for all temporary differences:

- except when the deferred tax liability arises from the initial recognition of a goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and that, on the transaction date, does not affect either the accounting profit or the taxable profit or loss; and
- for the taxable temporary differences linked to interest in subsidiaries, in associates and in joint ventures, except if the date on which the temporary difference is inversed can be checked and it is probable that the temporary difference will not be inversed in the foreseeable future. Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.
Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the tax assets and liabilities due and if these deferred taxes concern the same taxable entity and the same tax authority.

EVS also assesses how the taxation authorities could challenge some of the company's tax positions and the consequences that might arise from tax audits. Based on this assessment, a current or deferred tax liability is determined in accordance with the provisions of IFRIC 23.

2.31. Derivative financial instruments

EVS uses derivative financial instruments such as forward exchange rate contracts or interest rate swaps to hedge its risks of foreign currency fluctuations on its foreign currency transactions and its risks of interest rate fluctuations. Such derivative financial instruments are stated at fair value as these contracts are not deemed to be hedging contracts within the meaning of the IFRS.
The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of the interest rate swaps is subject to a valuation by the counterparty.
The method of determining the fair value of these instruments is therefore of "level 2" type according to IFRS 13 "Evaluation of fair value".

2.32. Dividends

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

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

EVS grants a 2-year technical guarantee on products sold subject to the general conditions of sale. In order to hedge that risk, EVS has recorded on the balance sheet a provision to cover the probable costs on 2 years relating to these technical guarantees.

2.34. Earnings per share

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

3. SEGMENT INFORMATION

3.1. General information

The company applies IFRS 8 ("Operating segments") since the fiscal year ended on December 31, 2007.

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. Following Axon acquisition, EVS now also has a portion of its staff located in Netherlands and UK, mainly R&D and production teams. The Axon products, forming the Media Infrastructure part of the solution blueprint are integrated into EVS solution portfolio. The majority of the investments and costs are still located at the level of the Belgian parent company. The other 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: live video technology for broadcast and new media productions with a consistent modular architecture. This is the product of EVS. There are no other significant classes of business, either singularly or in aggregate. Indeed, identical modules can meet the needs of different markets. Our customers themselves are often multi-markets. Providing information for each module is therefore not relevant for EVS.

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

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

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

3.2. Additional information[2]

3.2.1. Information on revenue by destination

Revenue can be presented by Market Pillar: "Live Service provider", "Live Audience Business" and "Big Event Rentals". Maintenance and after sale service are included in the complete solution proposed to the clients.

Revenue (EUR thousands)	FY20	FY19	% FY20/FY19
Live Audience Business	56,685	52,328	+8,3%
Live Service Provider	30,158	49,726	-39.4%
Big Event Rentals	1,268	1,346	-5.8%
Total Revenue	**88,111**	**103,400**	**-14.8%**

The above presentation includes the latest and refined classification of our customers by market pillar for both 2019 and 2020.

3.2.2. *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 a fourth category “Big Event Rentals”.

Revenue for the YTD period (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event Rentals	TOTAL
FY20 revenue	**19,315**	**41,002**	**26,526**	**1,268**	**88,111**
Evolution versus FY19 (%)	**+2.3%**	**-14.1%**	**-25.1%**	**-5.8%**	**-14.8%**
Variation versus FY19 (%) at constant currency	**+2.3%**	**-14.0%**	**-23.6%**	**-5.8%**	**-14.2%**
FY19 revenue	**18,879**	**47,744**	**35,431**	**1,346**	**103,400**

Revenue realized in Belgium (the country of origin of the company) with external clients represent less than 5% of the total revenue for the period. In the last 12 months, the group realized significant revenue with external clients (according to the definition of IFRS 8) in two countries: The United States & the United Kingdom (respectively, EUR 22.8 million & EUR 9.0 million in the last 12 months).

3.2.3. *Information on products and services*

Revenue can be presented by nature: systems and services.

Revenue (EUR thousands)	FY20	FY19	% FY20/FY19
Systems	74,876	89,790	-16.6%
Services	13,236	13,610	-2.8%
Total Revenue	**88,111**	**103,400**	**-14.8%**

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

3.2.4. *Information on important clients*

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

3.2.5. *Maturity analysis of the order book*

Order book of EUR 54.2 million on December 31, 2020 (incl. Axon) (+43.3% YoY) out of which:

- EUR 31.3 million to be recognized in revenue in 2021 (+48.2 % YoY and excl Big Event Rentals);
- EUR 10.0 million (excl. big events rentals) to be recognized in revenue in 2022 and beyond (+128.2% YoY);
- EUR 12.9 million for big events rentals related to events postponed into 2021.

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

NAME AND ADDRESS	Year of foundation or acquisition	Staff as of 31.12.20	Incorporation method used [1]	Part of capital held as of 31.12.19 (in %) [2]	Part of capital held as of 31.12.20 (in %) [2]	Change in % of capital held
EVS Broadcast Equipment Inc. 700 US 46 East Fllor 3 NJ 07004 Fairfield, USA	1996	25	F	100,00	100,00	0,00
EVS Broadcast México, SA de CV World Trade Center, Cd. De México, Montecito N° 38, Piso 23, Oficina 38, Col. Nápoles, Delegación Benito Juárez, D.F. 03810 México, MEXIQUE RFC: EBM 1106152TA	2011	1	F	100,00	100,00	0,00
EVS France SARL Avenue André Morizet, 62bis F-92100 Boulogne-Billancourt, FRANCE TVA: FR-21419961503	1998	12	F	100.00	100.00	0,00
EVS France Développement SARL Avenue André Morizet, 62bis F-92100 Boulogne-Billancourt, FRANCE TVA: FR-53514021476	2009	6	F	100,00	100,00	0,00
EVS Toulouse SAS 6, rue Brindejonc des Moulinais, Bât. A, F-31500 Toulouse Cedex 5, FRANCE TVA: FR-83449601749	2010	20	F	100,00	100,00	0,00
EVS Italia S.R.L. Via Milano 2, IT-25126 Brescia, ITALIE TVA: IT-03482350174	1998	3	F	100,00	100,00	0,00
EVS Broadcast UK Ltd. Ashcombe House, The Crescent 5, Leatherhead, Surrey KT22 8DY, ROYAUME-UNI TVA: UK-853278896	1999	8	F	100,00	100,00	0,00
EVS Broadcast Equipment Iberica SL Avda de Europa 12-2C, Edificio Monaco, Parque Empresarial la Moraleja 28109 Alcobendas, Madrid, ESPAGNE CIF: B85200236	2007	3	F	100,00	100,00	0,00
EVS Nederland BV Parnassungsweg 819 1082 LZ Amsterdam PAYS-BAS	2008	1	F	100,00	100,00	0,00
EVS International (Swiss) SARL Rue des Arsenaux 9, 1700 Fribourg, SUISSE TVA: CH-21735425482	2009	0	F	100,00	100,00	0,00
EVS Broadcast Equipment Ltd. Room A, @Convoy, 35/F 169 Electric Road, North Point, HONG-KONG	2002	11	F	100,00	100,00	0,00
EVS Broadcast Equipment Singapore PTE. Ltd. Level 8-9, The Metropolis Tower 2 11 North Buona Vista Drive 138589 SINGAPORE	2015	3	F	100.00	100.00	0.00
EVS Australia Pty Ltd. Level 8, 261 George Street Sydney NSW 2000, AUSTRALIE	2007	2	F	100,00	100,00	0,00
EVS Deutschland GmbH Mina-Rees Stra. 8, 64295 Darmstadt, ALLEMAGNE VAT: DE-289 460 223	2013	21	F	100,00	100,00	0,00
EVS Pékin - Bureau de Représentation 2805 Building One, Wanda Plaza, N°93 Jianguo Road 100026 Beijing, CHINE	2005	5	F	N/A	N/A	N/A
EVS Broadcast Equipment Middle East Ltd – Representative office Shatha Tower, Office 09, 32nd Floor, Dubai Media City, Dubaï, EMIRATS ARABES UNIS	2006	5	F	N/A	N/A	N/A

EVS Americas Los Angeles – Representative office 101 South First Street, Suite #404 Burbank, CA 91504, USA	2006	4	F	N/A	N/A	N/A
Axon Investments BV Hercules 28, 5126RK Gilze, NETHERLANDS NL817704668B01	2007	2	F	0,00	100,00	100,00
Axon Holding BV Hercules 28, 5126RK Gilze, NETHERLANDS	2002	0	F	0,00	100,00	100,00
Axon International BV Hercules 28, 5126RK Gilze, NETHERLANDS	2002	0	F	0,00	100,00	100,00
Axon Digital Design LTD 1 Forest Court, RD41 2FD Wokingham, United Kingdom GB642547534	1998	14	F	0,00	100,00	100,00
Axon Digital Design BV Hercules 28, 5126RK Gilze, NETHERLANDS NL802646748B01	1994	60	F	0,00	100,00	100,00
Axon Digital Design BV Representative Office Beijing 2805 Building One, Wanda Plaza, N°93 Jianguo Road 100026 Beijing, CHINE	2002	4	F	N/A	N/A	N/A
Axon Digital Design BV Branche Office Singapore 81 Ubi Avenue 4, 06-23 UB One 408830 Singapore	2010	1	F	N/A	N/A	N/A
MECALEC SMD SA Rue Nicolas Fossoul 54, B-4100 Seraing, BELGIQUE N° d'entreprise: BE0467 121 712	1999	29	E	49,50	49,50	0,00

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

5. INVESTMENT IN JOINT-VENTURES AND ASSOCIATES

(EUR thousands)	2020	2019
Investment in associates		
Opening balance as at January 1	**1,421**	**1,282**
- Disposals during the year	-	-
- Acquisitions during the year	-	-
- Results	339	169
- Others	-	-30
Closing balance as at December 31	**1,760**	**1,421**

5.1. Investments in associates

5.1.1. MECALEC SMD SA

MECALEC SMD SA was founded on October 21, 1999 by SA MECALEC (50.5%, not directly or indirectly linked to EVS) and EVS (49.5%). Its subscribed capital is EUR 200 thousand and, therefore, the share of EVS in this company amounts to EUR 99 thousand. This company's main activity is the manufacturing and the assembly of electronic boards, using SMD technology. The registered office is based in Boncelles, close to Liège (Belgium), 5 km from EVS. EVS acquired this interest in order to benefit from shorter delivery times on orders for the assembly of electronic boards. There can be some synergies in R&D and reworking of the production process. The net profit of MECALEC SMD in 2020 amounted to EUR 0.7 million. EVS represented 11.2% of MECALEC SMD's turnover in 2020.

The share of EVS in the 2020 results of MECALEC SMD amounts to EUR 339 thousand and the share of EVS in MECALEC SMD equity amounts to EUR 1,760 thousand.

(EUR thousands)	Dec. 31, 2020	Dec. 31, 2019
Current assets	3,964	3,345
Non-current assets	80	123
Current liabilities	-488	-597
Non-current liabilities	-	-
Net assets	**3,556**	**2,871**
Share of associate's balance sheet (49.5%)	**1,760**	**1,421**
Turnover	3,561	3,539
Net result	686	341
Share of associate's revenue and net result (49.5%)	**339**	**169**
Carrying amount of investment	**1,760**	**1,421**

6. INCOME AND EXPENSES

6.1. Use of non-GAAP financial measures

EVS uses performance measures to supplement the measures defined by IFRS in order to clarify the company's financial performance:

- Gross margin and gross margin rate ;
- Operating result (EBIT) and operating result rate.

These indicators are aggregates that result directly from our presentation of the consolidated income statement as subtotals. We believe these measures are important indicators in our industry, and are widely used by investors, analysts and other audiences.

6.2. Gross margin

(EUR thousands)	2020	2019
Revenue	88,111	103,400
Cost of sales	-29,555	-29,316
Gross margin	**58,557**	**74,085**
Gross margin %	**66.5%**	**71.6%**

Consolidated gross margin was 66.5% for FY20, compared to 71.6% in FY19 due to the inclusion of Media Infrastructure (ex-
Axon) into the product mix (refer to note 10 Goodwill for contribution of Axon). Operating expenses increased by 1.9% YoY, thanks to strict cost management and careful headcount management despite inclusion of Axon costs for 8 months. The FY20 EBIT margin was 6.4% at EUR 5.7 million (or 7.7% at EUR 6.8 million excluding a one-time exceptional cost of EUR 1.1 million for the goodwill impairment from the SVS acquisition in 2014).

6.3. Research and development expenses

Research and development expenses amounted to EUR 24.0 million in 2020 versus EUR 22.6 million in 2019. R&D does not require any considerable investment, since engineers and programmers work directly and mainly on the machines to be sold or on servers for the software development. Moreover, the markets in which EVS operates and which are characterized by a rapid evolution of used technologies and the impossibility to predict future benefits that on-going developments are likely to generate, lead the Board of Directors conclude that the criteria of IAS38.57 were not met. Consequently, development costs incurred in 2020 cannot be capitalized.

Since the fourth quarter of 2010, EVS takes into account a withholding tax exemption given since 2006 by the Belgian government to companies paying or allocating compensation to individual researchers who are engaged in collaborative R&D programs according to some criteria defined under section 273 of the Code of income tax in Belgium. In the presentation of the accounts, this amount comes as a deduction of R&D charges.

Since 2015, EVS also benefits from tax credits relating to R&D in France. This amount also comes in deduction of the R&D expenses. In 2020, it amounted to EUR 0.5 million.

The detail of the R&D expense is as follows:

(EUR thousands)	2020	2019
Gross R&D expenses	26,343	25,138
Benefits relating to R&D expenses	-2,339	-2,535
R&D expenses, net	**24,004**	**22,603**

6.4. Complementary information about operating charges by nature

(EUR thousands)	2020		2019	
Raw materials and consumables used		-18,259		-16,556
Increase (+)/decrease (-) in stocks of finished goods, work and contracts in progress		-3,519		-1,730
Personnel expenses		-40,174		-38,861
- Remunerations and salaries	-32,785		-29,157	
- Social security costs	-6,944		-6,886	
- Other personnel expenses	-466		-2,818	
Of which the ones included in:				
- Cost of Sales	-8,601		-8,686	
- S&A costs	-13,992		-12,715	
- R&D costs	-17,230		-16,930	
- Profit sharing plan and warrants	-352		-530	
Average number of employees in FTE	514		465	
Depreciations (1)		-6,658		-5,483
Of which the ones included in:				
- Costs of sales	-1,625		-1,557	
- S&A costs	-2,561		-1,892	
- R&D costs	-2,473		-2,034	
Increase (-)/decrease (+) in amounts written off		-1,987		-2,234
- Increase (-)/decrease (+) in amounts written off on stocks	-2,016		-556	
- Increase (-)/decrease (+) in amounts written off on trade debtors	29		-1,678	

(1) As from January 1st, 2019, including IFRS 16

6.4.1. Post-employment benefit

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

In %	Contribution rate
2007	1.00%
2008 to 2010	1.10%
2011	1.77%
2012	1.87%
2013 to 2019	1.97%
2020	2.29%

The plan is managed by “l’Integrale”. The financing policy is outlined in its annual report.

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

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

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

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

Changes booked in 2020 in the Belgian defined benefit obligation and fair value of plan assets were as follows:

	2020			2019		
In thousands of EUR	Defined benefit obligation	Fair value of plan assets	**Net defined benefit liability**	Defined benefit obligation	Fair value of plan assets	**Net defined benefit liability**
As of January 1	**7,218**	**-6,535**	**683**	**5,640**	**-5,581**	**59**
Service cost	1,078	0	1,078	898	-	898
Administrative costs		22	22		23	23
Net interest expenses	75	-73	2	109	-117	-8
Other			-	30	-29	1
Sub-total included in profit or loss	**1,153**	**-52**	**1,102**	**1,037**	**-123**	**914**
Benefits paid	-167	167	0	-141	141	0
Return on plan assets		-288	-288	-	46	46
Actuarial changes (assumptions) of which:						
Arising from changes in demographic assumptions			0	-	-	0
Arising from changes in financial assumptions	784		784	584	-	584
Arising from changes in methodology			0	-	-	0
Arising from experience adjustments	-318		-318	98	-	98
Sub-total included in OCI	**466**	**-288**	**178**	**682**	**46**	**728**
Contributions by employer		-978	-978	-	-1,018	-1018
As of December 31	**8,670**	**-7,686**	**984**	**7,218**	**-6,535**	**683**

The fair value of plan assets are fully invested in insurance policies.

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

In %	**2020**	**2019**
Discount rate	0.47%	1.05%
Future salary increases (incl. consumer price increases)	1.90%	2.00%

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

(EUR thousands)	2020
Discount rate	
0.25% decrease	+260
0.25% increase	-237
Future salary evolution	
0.25% decrease	-63
0.25% increase	+82

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in one key assumption occurring at the end of the reporting period, keeping all other assumptions constant.

These may not be representative for an actual change in the defined benefit obligation, as it is unlikely that changes in assumptions would occur in isolation of one another.

The expected contributions to the plan for the next annual reporting period amounts to EUR 744 thousands. The average duration of the defined benefit plan obligation is 20 years.

The following payments are the expected benefit payments from the plan assets:

(EUR thousands)	2020
Within the next 12 months	0
Between 2 and 5 years	163
Between 5 and 10 years	615
Total expected payments	**778**

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

6.5. Financial revenues/(costs)

(EUR thousands)	2020	2019
Interest charges (1)	- 833	-604
Interest income on deposit	28	38
Exchange result	- 957	180
Other financial results	126	115
Other financial income/(expenses)	**- 1.636**	**-270**

(1) As from January 1st, 2019, including interests on lease liabilities according to IFRS 16.

To limit its exposure to the US dollar, the EVS Group has an active policy to cover the foreign exchange risk, as explained in notes 26 and 27.
The exchange net expense increase during 2020 is mainly explained by the appreciation of the EUR/USD exchange rates (see note 2.9.3 *Exchange rates used*)

6.6. Other income and expenses

In 2020, other expenses include mainly the impairment of the SVS GmbH for EUR 1.1 million, an explanation related to this subject is provided in note 10 *Goodwill*.

In 2019, a total amount of EUR 170 thousands corresponding to the taxes paid on real estate has been reclassified from other operating costs into the administrative expenses.

7. INCOME TAXES

7.1. Tax charge on results

The tax charge for 2020 and 2019 is mainly made of:

(EUR thousands)	2020	2019
Current tax charge		
Effective tax charge	555	-1,249
Adjustments of current tax related to prior years **	1,492	-3,040
Deferred taxes		
Tax effects of temporary differences	786	984
- Fixed assets depreciation, including reevaluation of buildings	-261	-254
- Intangibles (R&D investment deductions) *	-349	-572
- Other intangibles	-1,377	-
- Adjustments for IFRS 16	61	-
- Adjustments for IAS 19	75	-27
- Adjustments for the carry-over taxation for gains on building disposals	81	51
- Adjustments for IFRS 9	52	16
- Reported tax losses	2,518	1,723
- Provisions	-14	28
- Others	-	4
Income taxes included in the income statement	**2,833**	**-3,320**

* see also paragraph 5 in the financial report, on deductions relating to R&D investments.
** see also paragraph 7.2 for comments related to IFRIC 23.

The variation in taxes on the balance sheet at December 31, 2020 compared to December 31, 2019, results in a net increase in deferred tax position of EUR 786 thousand.

7.2. Reconciliation of the tax charge

The effective tax charge of the group obtained by applying the effective tax rate to the pre-tax profit of the group, has been reconciled for 2019 and 2020 with the theoretical tax charge obtained by applying the theoretical tax rate:

(EUR thousands)	2020	2019
Reconciliation between the effective tax rate and the theoretical tax rate		
Profit before taxes and share in the result of the enterprise accounted for using the equity method	4,014	22,759
Effective tax charge based on the effective tax rate	2,833	-3,320
Effective tax rate	**-70.6%**	**14.6%**
Reconciliation items for the theoretical tax charge		
Tax effect due to the carry-over taxation for gains on buildings disposals in the statutory accounts		
Impact of earn-out debt reversal	-	-
Tax effect of deduction for notional interest	-	-
Tax effect on R&D investment deductions	-1,029	-1,426
Tax effect of non-deductible expenditures	311	408
Tax effect due to the usage of tax losses	-	-
Tax effect on innovation deduction	-2,122	-5,932
Tax effect on innovation deduction (catch-up from previous years)	-	-
Tax effect of previous years adjustments	-1,492	3,034
Other increase/(decrease)	393	793
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-1,106	-6,443
Theoretical tax rate	**27.6%**	**28.3%**

The tax charge for FY2020 includes an adjustment of the tax costs related to prior years for a total amount of EUR +1,5 million including the reversal of accruals for uncertainties over income tax treatments according to the new interpretation IFRIC 23, effective 1 January 2019.

7.3. Deferred taxes on the balance sheet

The sources of deferred taxes are as follows:

(EUR thousands)	December 31, 2020		December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Other tangible assets	-	19	-	24
Buildings revaluation	-	1,578	-	1,312
R&D Intangibles	4,454	-	4,803	-
Other intangible assets		1,377	-	-
Leases (IFRS 16)	73	12	-	-
Defined benefit plan provision	246	-	171	-
Accounts receivables impairment	103	-	51	-
Carry-over taxation for gains	-	885	-	966
Recoverable tax loss	6,318	-	3,800	-
Deferred income / Accrued charges		-		-
Provisions for risks and charges	14	-	28	-
Total	**11,208**	**3,871**	**8,853**	**2,302**
Net booked value	**8,725**	**1,389**	**6,570**	**19**

Deferred taxes are booked "net" in accordance with the valuation rules of the group because they relate to income taxes levied by the same taxation authority and the authority allows the compensation.
The increase in the recoverable tax loss is explained mainly by the acquisition of Axon (refer to note 10 *Goodwill*).

8. EARNING PER SHARE

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

(EUR thousands)	2020	2019
Net profit	7,186	19,608
- attributable to non-controlling interests	-	-
- attributable to equity holders of the parent company	**7,186**	**19,608**

	2020	2019
Weighted average number of subscribed shares, excluding treasury shares	13,668,612	14,016,921
Dilution effect of the weighted average number of the share options in circulation	5,620	-
Weighted average number of fully diluted number of shares	**13,674,232**	**14,016,921**
Basic earnings per share (EUR)	**0.53**	**1.40**
Diluted earnings per share (EUR)	**0.53**	**1.40**

The diluted earnings per share does include 187,000 warrants attributed in December 2020 and outstanding at the end of the year with an exercise price below the share price. These 187,000 warrants have maturity of October 2026. It does not include 138,832 warrants outstanding at the end of 2020 as these are not exercisable given the exercise prices were above the share price.

9. DIVIDENDS PAID AND PROPOSED

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

(EUR thousands, gross amount)	Coupon #	Declaration date	2020	2019
Paid during the year :				
- Final dividend for 2018 (EUR 0.50 per share excl. treasury shares)	28	Mai 2019	-	6,646
- Interim dividend for 2019 (EUR 0.50 per share excl. treasury shares)	29	Nov. 2019	-	6,914
Total paid dividends			**-**	**13,560**

(EUR thousands)	2020	2019
Proposed for approval at the OGM :		
- Total dividend for 2019 (EUR 0.50 per share incl. interim dividend)	-	6,914
- Proposed dividend for 2020 (EUR 0.50 per share incl. interim dividend)	6,699	-
Total	**6,699**	**6,914**

Due to the current conditions, the Board will propose a dividend of EUR 0.50 for the year 2020 (to be paid in 2021).

10. GOODWILL

(EUR thousands)	CGUs			TOTAL
	OpenCube	**SVS**	**Axon**	
Acquisition cost				
As of December 31, 2019	**820**	**1,125**	**-**	**1,945**
- Acquisitions	-	-	2,832	2,832
- Sales and disposals			-	-
As of December 31, 2020	**820**	**1,125**	**2,832**	**4,777**
Accumulated impairment				
As of December 31, 2019	**820**	**-**	**-**	**820**
- Impairment		**1,125**	**-**	**1,125**
- Sales and disposals			-	-
As of December 31, 2020	**820**	**1,125**	**-**	**1,945**
Net carrying amount				
As of December 31, 2019	**-**	**1,125**	**-**	**1,125**
As of December 31, 2020	**-**	**-**	**2,832**	**2,832**

Goodwill is the difference between the cost of an acquisition and the share of the acquirer's interest in the net fair value of the identifiable assets, certain liabilities and eventual liabilities. The goodwill is not depreciated but is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The value in use of the Cash Generating Unit (CGU) is calculated from the present value of the cash flows included in the business plan of SVS and Axon, in accordance with IAS 36.

The increase of the year is explained by the acquisition of the Group Axon (see note 10.2)

10.1. SVS

In May 2013, EVS acquired a minority stake (25.1% of the voting shares) in SVS GmbH, a private company based in Germany ("SVS") whose principal activity is the research and development of network-based technology.

In December 2014, EVS acquired the remaining 74,9% it didn't own in SVS, for an amount of EUR 1.0 million paid in cash, and a possible future earn out based on the performance over the 2015-2020 period.

At December 31, 2014, goodwill amounted to EUR 1.1 million and has not changed after the acquisition of the remaining shares due to the fact EVS has already the global effective control with the first acquisition of the minority share in 2013.

The main factors leading to the recognition of goodwill were:

- The presence of certain intangible assets, such as the knowhow of the staff acquired, which do not qualify for separate recognition;
- Expected synergies and other benefits from combining the assets and activities of SVS with those of the group.

The current context did not help SVS to reach the expected performance and revenue. Management performed an impairment test on SVS. Based on the business model and the current economic circumstances, management:

- has calculated the recoverable amount of the SVS CGU based on a value in use calculation which uses cash flow projections (discounted cash flow method: DCF) based on financial budget approved by the directors covering a five-year period, and a discount rate of 8,7% (Weighted Average Cost of Capital: WAAC);
- has considered perpetual cash-flows for the period beyond the forecast period (five years);
- has not considered any growth in revenue.

The exercise resulted in an impairment of the goodwill for EUR 1.1million. The remaining fixed assets in the SVS CGU are not material and were not therefore impaired.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions:
The calculation of value in use of the SVS CGU is sensitive to the following assumptions:

- Gross margin, and
- Discount rate

Management conducted a sensitivity analysis of the impairment test to changes in the key assumptions used to determine the recoverable amount of SVS CGU. The sensitivity analysis consisted on stressing:

- +/- 10% the gross margin; and
- +/- 10% the discount rate.

The outcome of the sensitivity analysis indicates a non-significant difference comparing to the impairment booked on the goodwill of SVS.

10.2. Axon Group

In a transaction closed on 30 April 2020, the Company acquired 100% of the shares of Axon Investments B.V. ("Axon"). With development centers in the Netherlands and the UK, and more than 80 team members, Axon has an international presence in the live broadcast infrastructure market, including mobile trucks and data centers, and a product portfolio that complements EVS's existing live production offering.

The functional currency of Axon UK is the GBP as it is:

- The currency in which prices of goods and services are denominated and settled;
- The currency of the country whose competitive forces and regulations mainly determine the sales prices of the goods and the services;
- The currency that influences workforce, material and other costs of providing the goods and the services.

This transaction qualifies as a business combination in accordance with IFRS 3 and is thus accounted for by applying the acquisition method.
The consideration transferred by the Company to acquire Axon includes:
- A cash amount of EUR 12.2 million of which EUR 11.6 million paid at closing date and EUR 0.6 million paid at the end of September for the final working capital adjustment.
- A contingent consideration ranging between EUR -0,5 million (reverse earn-out to be paid back by the sellers) and maximum EUR 2,5 million (earn-out to be paid by the Company) depending on the gross margin realized by Axon over the period 1 January 2020 to 31 January 2021. The fair value of the contingent consideration amounts to EUR 1,0 million at acquisition date and has not changed at the reporting date.
The fair value categorized as level 3 has been estimated on the basis of a model in which the possible outcomes are probability weighted. The unobservable input to which this fair value measurement is most sensitive is the estimated amount of Axon's

gross margin over the reference period. Depending on the actual level of Axon's gross margin, the Company is exposed to a future income statement impact ranging between a loss of EUR 1.5 million (in case the maximum earnout is reached) and a gain of EUR 1.5 million (in case of reverse earn-out).

The amounts recognized with respect to identifiable assets acquired and liabilities assumed, as well as the consideration transferred and the resulting provisional amount of goodwill and net cash flow effect at acquisition date are as set in the table below.

During the measurement period, the fair values of identifiable assets acquired and liabilities assumed were further refined (refer to column "Adjustments" in the table above and the related notes below).

(EUR thousands)	Provisional fair values 30.06.2020	Adjustments	Final fair values 31.12.2020
Intangible asset – Technology	2,486	3	2,489
Intangible asset – Customer- related	5,107	13	5,120
Other intangible assets	0	9	9
Right-of-use assets	0	2,126	2,126
Other non-current assets	341	-9	332
Deferred tax assets	1,316	0	1,316
Accounts receivable	2,133	0	2,133
Inventories	2,302	0	2,302
Cash and cash equivalents	1,956	0	1,956
Other current assets	46	0	46
Total assets	***15,687***	***2,142***	***17,829***
Deferred tax liabilities	-1,582	-3	-1,585
Lease liabilities	-	-2,126	-2,126
Accounts payable	-3,478	-	-3,478
Other liabilities	-242	-	-242
Total liabilities	***-5,302***	***-2,129***	***-7,431***
Net assets acquired	**10,385**	13	**10,398**
Consideration paid in cash	11,570	641	12,211
Final working capital adjustment	**658**	-658	-
Fair value of contingent consideration (earn-out)	926	93	1019
Total consideration	***13,153***	***77***	***13,230***
Goodwill	2,768	64	2,832
Cash outflow net of cash and cash equivalents	9,614	641	10,255

The consideration paid in cash increase is explained by the fact that the first payment was done based on Axon Group's provisional accounts. The additional payment was done through the working capital adjustment once the final accounts of the Group were finalized. This triggered the modification of the fair values of some assets and liabilities and the final calculation of the contingent consideration.

The goodwill amounting to EUR 2,8 million consists of expected market synergies from the combination of Axon and EVS as well as the skilled workforce of Axon, which both do not qualify for separate recognition as intangible assets. Goodwill is not expected to be deductible for tax purposes.

As per the technology, the valuation method used consists in the royalty relief method (potential savings for owning the technology after the acquisition) supported by a benchmark analysis.

The customer-related intangible asset was valued based on the Multi-period Excess earnings method (by estimating revenues and cash flows derived from the intangible asset).

The fair value of accounts receivable as reported in the table above corresponds to the gross contractual amounts receivable considering that the sellers are obliged to indemnify the Company for any amount receivable that is not fully collected within 180 days after the acquisition date.

Since the acquisition date on 30 April 2020 Axon contributed EUR 7,9 million to revenue and EUR -1,6 million to net profit in the consolidated income statement for the 8 month-period ended 31 December 2020.

If the acquisition of Axon had been completed on 1 January 2020, the consolidated Group's revenue and net profit for the 12 month-period ended 31 December 2020 would have been EUR 94,9 million and EUR 7,8 million respectively.

The acquisition-related costs amounting to EUR 0,3 million have been immediately expensed as incurred and are presented under the caption "Selling and administrative expenses" in the income statement.

11. OTHER INTANGIBLE ASSETS

(EUR thousands)	Technology (DWESAB and OpenCube)	Software licenses	TOTAL
Acquisition cost			
As of December 31, 2018	**2,581**	**3,052**	**5,633**
- Acquisitions	-	25	25
- Sales and disposals	-	-	-
- Transfers	-	-	-
- Other	-	3	3
As of December 31, 2019	**2,581**	**3,080**	**5,661**
Accumulated depreciation			
As of December 31, 2018	**-2,581**	**-2,609**	**-5,190**
- Depreciations	-	-295	-295
- Sales and disposals	-	-	-
- Transfers	-	-	-
- Other	-	-3	-3
As of December 31, 2019	**-2,581**	**-2,907**	**-5,488**
Net carrying amount			
As of December 31, 2018	**-**	**443**	**443**
As of December 31, 2019	**-**	**173**	**173**

(EUR thousands)	Technology (DWESAB, OpenCube and Axon)	Other intangibles: customer related	Software licenses	TOTAL
Acquisition cost				
As of December 31, 2019	**2,581**	**0**	**3,080**	**5,661**
- Business combination	2,489	5,120	9	**7,618**
- Acquisitions	-	-	53	**53**
- Sales and disposals	-	-	-	**-**
- Transfers	-	-	-	**-**
- Other	-	-1	-	**-1**
As of December 31, 2020	**5,070**	**5,119**	**3,142**	**13,331**
Accumulated depreciation				
As of December 31, 2019	**-2,581**		**-2,907**	**-5,488**
- Depreciations	-237	-488	-78	**-802**
- Sales and disposals	-	-	-	-
- Transfers	-	-	-	-
- Other	-	-	-	-
As of December 31, 2020	**-2,818**	**-488**	**-2,985**	**-6,290**
Net carrying amount				
As of December 31, 2019	**-**	**-**	**173**	**173**
As of December 31, 2020	**2,252**	**4,631**	**157**	**7,041**

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

(EUR thousands)	Land and buildings	Plant, machinery and equipment	Other tangible assets	Assets under construction	TOTAL
Acquisition cost					
As of December 31, 2018	**46,798**	**2,719**	**15,064**	**33**	**64,614**
- Acquisitions	13	996	288	52	1,349
- Sales and disposals	-1,020	-	-	-	-1,020
- Change in accounting principles (IFRS 16)	8,332	2,528	-	-	10,860
- Transfers	-	-	-	-	-
- Other	99	14	66	-	179
As of December 31, 2019	**54,222**	**6,257**	**15,418**	**85**	**75,982**
Accumulated depreciation					
As of December 31, 2018	**-1,995**	**-2,651**	**-12,367**		**-17,013**
- Depreciations	-2,948	-1,274	-966	-	-5,188
- Sales and disposals	-	-	-	-	-
- Variation in consolidation scope	-	-	-	-	-
- Transfers	-	-	-	-	-
- Other	-	-11	-62		-73
As of December 31, 2019	**-4,943**	**-3,936**	**-13,395**	**-**	**-22,274**
Net carrying amount					
As of December 31, 2018	**44,803**	**68**	**2,697**	**33**	**47,601**
As of December 31, 2019	**49,279**	**2,321**	**2,023**	**85**	**53,708**
Mortgages and other guarantees					
Net carrying amount of fixed assets given as real guarantees	**43,221**	**-**	**-**	**85**	**43,307**

(EUR thousands)	Land and buildings	Plant, machinery and equipment	Other tangible assets	Assets under construction	TOTAL
Acquisition cost					
As of December 31, 2019	**54,222**	**6,257**	**15,418**	**85**	**75,982**
- Business combination	1,916	278	263	-	**2,458**
- Acquisition	4,000	857	1,659	352	**6,867**
- Sales and disposals	-787	-40	0	0	**-827**
- Transfers	50	-250	266	-66	**-**
- Other	-421	-141	-	-	**-562**
As of December 31, 2020	**58,981**	**6,961**	**17,606**	**371**	**83,919**
Accumulated depreciation					
As of December 31, 2019	**-4,943**	**-3,936**	**-13,395**	**-**	**-22,274**
- Depreciations	**-3,348**	**-1,097**	**-1,411**	**0**	**-5,856**
- Sales and disposals	**484**	**17**	**0**	**0**	**501**
- Transfers	-	-	-	-	**-**
- Other	**116**	**290**	**0**	**0**	**406**
As of December 31, 2020	**-7,691**	**-4,727**	**-14,806**	**0**	**-27,223**
Net carrying amount					
As of December 31, 2019	**49,279**	**2,321**	**2,023**	**85**	**53,708**
As of December 31, 2020	51,290	2,234	2,800	371	**56,696**
Mortgages and other guarantees					
Net carrying amount of fixed assets given as real guarantees	**43,221**	**-**	**-**	**85**	**43,307**

Following the rapid growth of the Belgian teams spread into six different buildings in the Liège Science Park, EVS started to build a new facility at the end of 2011 near the existing site (finished in 2015). Investments for this new building were made since 2011 until the end of 2018 for an amount of EUR 57,3 million in total (excluding subsidies), of which EUR 0.1 million were made in 2018.

The acquisition value of the building has been analyzed by component and specific useful lives and residual values were applied to each of them. Depreciation by component is provided for lifetimes ranging between 3 and 30 years with a total residual value for the building of about 37% of the gross value excluding subsidies.

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

The group policy is to finance its buildings through equity and through long term loans (see note 20).

In addition to the increase of the right-of-use assets (RoU assets) detailed below, the increase of the year in the tangible assets during 2020 is explained mainly by some investments in solar panels, IT equipment and other construction work.

The carrying amounts of right-of-use assets, lease liabilities and the movements for the twelve months ended 31 December 2020:

(EUR thousands)	**Land and buildings**	**Plant, machinery and equipment**	**Other tangible assets**	**Total**	**Lease liabilities**
As at 1 January 2020	6.059	-	2.266	**8.325**	8.370
Additions	2.945	-	1.659	**4.603**	4.603
Business combination	1.863	-	263	**2.126**	2.126
Other	-	430	-	**430**	376
Disposals	-	-	-	**-**	-
Depreciation expenses	-1.785	-246	-1.411	**-3.442**	-
Interest expenses	-	-	-	**-**	594
Conversion differences	-259	-	-	**- 259**	-247
Payments	-	-	-	**-**	-3.818
As at 31 December 2020	**8.821**	**184**	**2.777**	**11.782**	**12.004**

13. LONG TERM FINANCIAL ASSETS

(EUR thousands)	**Subordinated loans**	**Other financial assets**	**TOTAL**
Net carrying amount as of Dec. 31, 2018	**-**	**287**	**287**
- Refunded/converted during the year	-	- 42	- 42
- Acquired during the year	-	104	104
- Result	-	-	-
- Others	-	4	4
Net carrying amount on Dec. 31, 2019	**-**	**353**	**353**
Net carrying amount as of Dec. 31, 2019	**-**	**353**	**353**
- Refunded/converted during the year	-	- 7	- 7
- Acquired during the year	-	55	55
- Business combination	-	6	6
- Result	-	- 0	- 0
- Others	-	- 13	- 13
Net carrying amount on Dec. 31, 2020	**-**	**395**	**395**

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

14. INVENTORIES

(EUR thousands)	December 31, 2020	December 31, 2019
Raw materials	16.590	16,319
Finished goods	28.010	22,701
Goods purchased for resale	2.933	977
Total at cost	**47.533**	**39,997**
Cumulated amounts written off at the beginning of the period	**-23.174**	**-22,506**
Additions/Reversal/use of the amounts written off, net	-2.109	-594
Exchange rate difference	329	-74
Cumulated amounts written off at the end of the period	**-24.953**	**-23,174**
Total net carrying amount	**22.579**	**16,823**

The increase of inventories during 2020 is mainly explained by the acquisitions of the year to cover the big events that have been postponed to 2021.
Write-offs movements on inventories, which were valued at EUR 2.1 million in 2020 and at EUR 0.6 million in 2019 , are accounted as charges in the costs of sales. These write-offs concern technologically obsolete stock items and the increase in 2020 compared to 2019 is explained to a large extent by a range of products classified as end of life at the end of 2020.

15. TRADE AND OTHER RECEIVABLES

(EUR thousands)	December 31, 2020	December 31, 2019
Trade receivables	32,570	37,969
Finance lease receivables	1,984	3,118
Write offs on receivables	-3,283	-3,546
Net trade receivables	*31,271*	*37,541*
Other amounts receivable	3,228	3,659
Deferred charges and accrued income	2,702	2,412
Total	**37,201**	**43,611**

Trade receivables are non-interest bearing and are generally on 90-day terms. According to the group terms and conditions, the unpaid invoices at their term could result in a 1.50% monthly interest rate.
For receivables overdue with more than 90 days, the group recognizes a portion of these receivables in doubtful accounts based on an estimate from past experience of default of payment of the customer and its financial situation. These doubtful accounts are booked in the "Selling and Administrative expense" line.

As of December 31, 2020, an amount of EUR 5.7 million (EUR 4.1 million on 31/12/2019) within trade receivables was overdue with more than 90 days from which EUR 3.3 million are subject of write-downs following credit quality of trade receivables. Movements of write-offs in 2019 and 2020 are as follows:

(EUR thousands)	2020	2019
Write-offs on trade receivables		
Value as of January 1	**3,546**	**1,769**
- Write-offs during the year	-13	1,678
- Releases of write-offs during the year	-142	-
- Amounts paid down during the year	-	-
- Other	-108	99
Value as of December 31	**3,283**	**3,546**

According to IFRS 9, the following provision matrix has been used to calculate the amount of impairment allowance as of 31 December 2020.

(EUR thousands)	Trade receivables					
Write-offs on trade receivables	**Current**	**<31 days**	**31-60 days**	**61-90 days**	**>91 days**	**Total**
Expected credit loss rate	**0.13%**	**0.29%**	**0.55%**	**1.56%**	**3.43%**	
Total gross carrying amount	30,857	2,646	2,814	701	4,069	41,087
Expected credit loss as of Dec 31 2019	**41.6**	**7.5**	**15.5**	**11.0**	**139.5**	**215.1**

(EUR thousands)	Trade receivables					
Write-offs on trade receivables	**Current**	**<31 days**	**31-60 days**	**61-90 days**	**>91 days**	**Total**
Expected credit loss rate	**0.28%**	**0.72%**	**1.41%**	**3.12%**	**5.44%**	
Total gross carrying amount	19,541	7,497	1,245	572	5,699	34,554
Expected credit loss as of Dec 31 2020	**54.0**	**53.8**	**17.6**	**17.8**	**310.1**	**453.3**

During 2020, expected credit loss rates were adjusted due mainly to:

- The acquisition of Axon Group (see note 10 Goodwill); and
- The assessment of the management related to receivables recoverability outlook in the current circumstances of Covid 19 pandemic.

15.1. Finance lease receivables

(EUR thousands)	2020	2019
Gross receivable – future lease payments under finance lease		
Within one year (current finance lease)	1,525	1,495
After one year but no longer than five years (non-current finance lease)	576	994
Less: unearned finance income	-117	-127
Present value of future lease payments		
Within one year (current finance lease)	1,441	1,403
After one year but no longer than five years (non-current finance lease)	543	959

The group enters into finance leasing arrangements for some of its equipment. The term of finance leases entered into is maximum four years.
The carrying amount of the conditional purchase options of the assets leased under finance leases is estimated at EUR 0.2 million.

The interest rate inherent in the finance leases is fixed at the contract date for all of the lease term. The weighted average interest rate on finance lease receivables at December 31, 2020 is 5.9%.

The financial revenues generated by the finance leases are booked in the interest revenues, as explained in note 6.5.

15.2. Contract balances

(EUR thousands)	December 31, 2020	December 31, 2019
Contract assets	476	1,078
Contract liabilities	2,309	276

Invoiced advances for construction contracts amounted to EUR 2.3 million at December 31, 2020, compared to EUR 0.3 million at the end of 2019. Revenues relating to work in progress during 2019 amounted to EUR 0.5 million (EUR 1.1 million in 2019). The difference between these two amounts, EUR 1.8 million, is booked in the balance sheet.

16. OTHER CURRENT FINANCIAL ASSETS

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

17. CASH AND CASH EQUIVALENTS

(EUR thousands)	December 31, 2020	December 31, 2019
Cash at bank and in hand (not remunerated)	11,920	5,133
Short-term deposits and remunerated cash accounts	40,748	53,877
Total	**52,668**	**59,010**

The short term deposits run from overnight to less than six months periods according to the group's immediate cash requirements and pay at the different rates of the short term deposits. EVS also receives interests on some of its cash accounts.

18. NON CURRENT ASSETS HELD FOR SALE

At the end of December 2020, there were no Non-current assets held for sale.

19. OWNER'S EQUITY

19.1. Movements in issued capital

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

Date	Description	Number of shares	Capital (EUR)
17.02.1994	Constitution	1,000	30,987
25.04.1996	Incorporation of reserves	-	90,481
25.04.1996	Issuing of 100 shares at EUR 892 per share,	100	12,147
	including a share premium of EUR 771 included in capital		77,095
		1,100	**210,710**
06.06.1997	Incorporation of reserves	-	242,440
06.06.1997	Issuing of 172 shares, at EUR 4,338 per share,	172	70,855
	including a share premium of EUR 3,926		675,304
		1,272	**1,199,309**
25.09.1998	**Stock split by 2,000:1**	**2,544,000**	**1,199,309**
14.10.1998	Initial Public Offering	+ 200,000	94,284
	Incorporation of share premium		7,342,522
		2,744,000	**8,636,115**
07.09.1999	Issuance of 119,952 shares for exchange with NETIA shareholders	119,952	7,197,120
	Incorporation of reserves		166,765
		2,863,952	**16,000,000**
25.05.2003	Treasury shares cancellation	-63,952	-
		2,800,000	**16,000,000**
24.02.2004	Capital reimbursement	-	-8,137,521
15.03.2004	Issuance of 15,000 shares after the exercise of warrants	15,000	480,000
		2,815,000	**8,342,479**
09.05.2005	**Stock split by 5:1**	**14,075,000**	**8,342,479**
19.06.2006	Treasury shares cancellation	-200,000	-
12.06.2009	Treasury shares cancellation	-250,000	-
26.12.2018	Issuance of 702,024 shares	702,024	429,844
Capital on	**December 31, 2020**	**14,327,024**	**8,772,323**

19.2. Issued capital and treasury shares

As of December 31, 2020, the issued capital of EVS amounts to EUR 8,772,323 and is represented by 14,327,024 fully paid up shares without designation of nominal value. EVS complies with the legal requirements relating to the capital (articles 7:177 to 7:229 of the Belgian Companies and Association Code).

As of December 31, 2020, 325,832 issued warrants with an average exercise price of EUR 20.17 per share are exercisable until October 2026. From time to time, the company uses a portion of the capital for staff retention and motivation through a plan of warrants.

The management estimates that the level of capital of EVS is sufficient, as shareholders' equity represents 73.9% of the total balance sheet at the end of 2020.

The EVS Group strives to maintain a strong liquidity position and not to rely excessively on external financing. In addition, the Group has a dividend distribution policy allowing its shareholders to be remunerated in a significant manner, without compromising the Group's cash position and its financial independence. In its decisions to finance or decide on the distribution of dividends, EVS considers the overall level of its shareholders 'equity. Compared to 2019, shareholders' equity decreased by EUR 1.2 million and the ratio of financial independence (total equity compared with the total financial position of the group) stands at 73.9% compared to 77.4% at the end of 2019.

19.3. Authorized capital

In accordance with the resolution adopted by the Extraordinary General Meetings of December 4, 2017, the Board of Directors is authorized to increase the share capital in one or more installments up to a maximum of EUR 1,600,000, including share premium. This authorization is valid for a duration of 5 years as from the publication of the deliberation of the postponed Extraordinary General Meeting of December 4, 2017. These increases in capital can be realized through cash subscriptions, contributions in kind or incorporation of reserves. Within the limits of this authorization, the Board of Directors will be able to issue bonds convertible into shares or application rights, in observance of the provisions of articles 7:65 and 7:67 and in accordance with the Belgian Companies and Association Code and the Board can limit or withdraw the preferential application rights of shareholders, including those in favor of one or more given persons, according to the procedures to be specified by the Board and, if need be, subject to observance of the provisions of articles 7:190 and in accordance with the Belgian Companies and Association Code.

19.4. Staff incentive program

19.4.1. Warrants scheme

Since December 1999, the company has set up a stock options/warrants scheme for the group's employees and managers. In accordance with the fiscal legislation in force, the scheme has a minimum scope of 3 to 4 years between the granting and effective exercise of a warrant. This warrant distribution policy has been set up in order to gain the loyalty of the members of personnel and to allow them to participate in the results of the company. EVS hedges this program through the buy-back of its treasury shares on the stock market. The Board has the authorization from the Extraordinary General Meeting to proceed to these buy-backs. In view of the 325,832 warrants outstanding at the end of 2020 (138,999 at the end of 2019), the dilution effect represents 2.3% of the share capital, this being largely covered by the 928,207 treasury shares, which represent 6.3% of the number of diluted shares. The voting right and the right to the dividend are suspended during such time as the shares are held by the company. The warrants are granted at an underlying share value corresponding to the average share price of the last 30 days preceding the grant. When the warrants are exercised, the Board of Directors may choose to either issue new shares or to grant treasury shares previously acquired by the company (for this reason, warrants are qualified as "sui generis").

During the Extraordinary General Meetings of September 7, 1999 and May 16, 2000, 400,000 warrants (amount recalculated after the share split in 2004) were issued in favor of the personnel of the EVS Group. The Extraordinary General Meeting of May 21, 2002 issued 350,000 additional warrants, the EGM of June 7, 2010 issued 250,000 warrants, the EGM of December 5, 2011 issued 350,000 warrants, the EGM of September 24, 2013 issued 25,000 warrants and cancelled 70,000 warrants, the EGM of December 4, 2017 issued 250,000 warrants and the EGM of June 8, 2020 issued 250,000 warrants, in order to bring the total number to 1,805,000. As of December 31, 2020, 1,496,650 of these warrants had been distributed, 626,350 exercised and 544,468 cancelled following departures or repurchased following sales of subsidiaries, which means that 325,832 can be exercised as of December 31, 2020. As a result, 171,000 warrants are still available for distribution by the Board of Directors. The weighted average maturity is March 2025. These warrants may be exercised between now and March 2025. They have an average exercise price of EUR 28.90 per share. In the course of 2020, 187,000 warrants were distributed, no warrants were exercised and 167 were cancelled following the departure of personnel. The Board of Directors determines the grant, withholding and exercise conditions of the warrants, either through issuance of new shares or by allocation of existing shares (warrants are qualified as "sui generis").

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

	2020		2019	
	Number	**WAPP (EUR)**	**Number**	**WAPP (EUR)**
In circulation at the beginning of the period	**138,999**	**28.90**	**183,500**	**30.74**
Granted during the period	187,000	13,69	-	-
Exercised during the period (1)	-	-	-	-
Cancelled during the period	-167	28.90	-44,501	36.49
In circulation at the end of period	**325,832**	**20.17**	**138,999**	**28.90**

(1) The average share price (closing) during the exercise period in 2018 was EUR 21.54.

The warrants in circulation as of December 31, 2020 and exercisable over the next years are as follows:

Expiry date	**Exercise prices (EUR)**	**Number on December 31, 2020**	**Number on December 31, 2019**
2022	28.90	138,832	138,999
2026	13.69	187,000	-
Total	**Between 13.69 and 28.90**	**325,832**	**138,999**

In accordance with IFRS 2, the warrants are valued on the grant date in order to be charged over the useful life of the warrant (a vesting period, which is usually 3 years). The Black & Scholes model has been used coherently for this valuation, on the basis of volatilities, yield of historical and/or expected dividends. The key parameters for the warrants in circulation as of December 31, 2020 and exercisable over the next years are as follows:

Black & Scholes key parameters	**Plan 2020**	**Plan 2017**
Volatility	31.9%	27.3%
Risk free interest rate	-0.7%	0.1%
Dividend return	5.0%	3.5%
Economical value of the option vs. underlying share	14.5%	14.4%

19.4.2. Profit sharing plan

In order to thank, develop loyalty and especially encourage the teams of the group and in accordance with the related law, a profit sharing scheme will be proposed. The Ordinary General Meeting of May 18, 2021 shall approve a profit sharing scheme in the form of a grant of EVS Broadcast Equipment SA shares relating to the appropriation of the year 2020. Taking into account tax implications for the company, this grant relates to 10 shares (net of taxes) for all employees hired by the group before January 1, 2021, proportionally to the effective time performance (or assimilated) in 2020. This represents around 3,016 shares in total to maximum 350 group’s employees.

The cost relating to the profit sharing plan is included in the “Stock based compensation and ESOP plan” account in the consolidated income statement.

19.5. Treasury shares

During the Extraordinary General Meeting of December 4, 2017, the authorization to buy back own shares has been modified in Article 10, Paragraph 2, clause 1 of the statutes as follows “According to article 620, section 1, paragraphs 1 to 4 of the Belgian Company and Association Code, the Board of Directors is authorized (…) to acquire up to 10% of the outstanding shares of the company at a minimum unit price that will not be below 20% the lowest share price of the last 12 months, and at a maximum unit price not higher than 20% above the highest closing stock market price of the company's shares on Euronext Brussels during the 20 trading days preceding such acquisition. Such authorization is granted for a period of 5 years as from the day of the publication in the Appendices of the Official Belgian Gazette of the decision of the Extraordinary General Meeting of December 4, 2017 and extends to the acquisition of shares of the company by its direct subsidiaries, as such subsidiaries are defined by legal provisions on acquisition of shares of the parent company by its subsidiaries.”

On October 24, 2018, EVS announced the launch of a share buyback program of a maximum EUR 10 million. Between October 25, 2018 and December 31, 2020, EVS has bought 528,684 shares at an average price of EUR 18.9149, representing in total EUR 9,999,995.

On May 6, 2020, EVS Broadcast Equipment announced the decision of its Board of Directors to start a share buyback program of its outstanding shares for a maximum amount of EUR 5 million. In 2020, EVS has bought 337,155 shares at an average price of EUR 14,8300, representing in total EUR 4,999,999.

Aside of the share buyback program, no shares were used to satisfy the exercise of warrants by employees. The Ordinary General Meeting of shareholders of May 18, 2021 approved the allocation of 3,016 shares to EVS employees (grant of 10 shares to each staff member in proportion to their effective or assimilated time of occupation in 2020) as a reward for their contribution to the group successes.

After aforementioned transactions the total number of own shares amounts to 928,207 shares (including 93,144 shares already held by the company) as of December 31, 2020 (at an average historical price of EUR 19.21) compared to 400,180 as of December 31, 2019.

In 2020, the number of treasury shares moved in number and in weighted average prices (WAP) as follows:

	2020		2019	
	Number	**WAP (EUR)**	**Number**	**WAP (EUR)**
At the beginning of the period	**400,180**	**24.81**	**151,724**	**31.31**
Buy back on the market	544,307	15.17	262,952	21.11
Sales on the market	-		-	
Treasury shares cancellation	-		-	
Sales linked to the staff incentive program	-16,280	21.43	-14,496	25.73
At the end of the period	**928,207**	**19.21**	**400,180**	**24.81**

19.6. Reserves

(EUR thousands)	**December 31, 2020**	**December 31, 2019**
Legal reserves	999	999
Reserves available for distribution	148,310	131,222
Reserves for treasury shares	-17,835	-9,927
Reserves	**131,474**	**132,221**

19.6.1. Reserves for treasury shares

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

19.7. Translation differences

In accordance with the group's evaluation rules, for the EVS Inc. subsidiary which operates in USD and Axon Digital Design LTD. subsidiary that operates in GBP, at the closing date, the assets and liabilities are converted into the group's reporting currency (EUR) at the exchange rate in force on the reporting date, capital and reserves are converted at historical exchange rate, and the income statement is converted at the average exchange rate of the period. The translation differences resulting from this conversion are directly recognized under a distinct heading of equity.

20. LOANS

(EUR thousands)	December 31, 2020	December 31, 2019
Long term financial debts		
Bank loans	3.328	-
Long term lease liabilities	8.923	6,070
Other long term debts	993	692
Amount due within 12 months (shown under current liabilities)		
Bank loans	1.632	4,050
Long term lease liabilities	3.080	2,675
Other short term debts	0	-
Total financial debt (short and long-term)	**17.957**	**13,488**
The total financial debt is repayable as follows :		
- within one year	4.713	6,725
- after one year but no more than five	13.244	6,762
- more than five years	-	-

20.1. Credit lines

On June 16, 2020, a new loan of EUR 5.5 million has been negotiated with BNP Paribas Fortis in order to partially finance the acquisition of Axon. A first repayment of EUR 0.6 million has been done at the end of fiscal year 2020.

On June 29, 2020, a roll over credit line of EUR 5.0 million has been negotiated with Belfius bank in order to partially finance the acquisition of Axon. This amortizing credit line will end at the latest on 30/06/2024. As of this date, EVS has not used this credit facility.

20.2. Bank loans relating to buildings

The group's policy is to hold its own buildings and to finance them, through equity or long term loans. By the end 2020, all long term bank loans relating buildings were paid out.
The open long term bank loans as of December 31, 2019 have the following details:

(EUR thousands)	Bank	Nominal value	Maturity	Effective interest rate	Remaining balance	Guarantee on asset
Bank loans :						
- New headquarter	BELFIUS	5,400	2020	Fixed 0.61%	1,350	5,400
- New headquarter	ING	5,400	2020	Fixed 0.83%	1,350	6,598
- New headquarter	ING	6,000	2019	EUR 6M + 1,05%	-	-
- New headquarter	BNP	5,400	2020	Fixed 0.80%	1,350	6,600
TOTAL		22,200			4,050	

On November 14, 2013, a total of EUR 24 million of long-term borrowings over 7 years was subscribed by the company with 3 major banks (the European Investment Bank for 50% through the GFI initiative, ING 25%) and BNPPF (25%), in order to partially finance its new headquarters and operations under construction, all of which had been drawn. EVS began repaying these loans, and will continue to do so gradually until 2020. In 4Q16, EVS benefited from low interest rates to reorganize (without change in the aggregate amount and without associated costs) and to simplify some of its credit lines relating to the financing of the new head office. Following this, EVS now has 3 loans of EUR 5.4 million at Belfius, ING and BNP Paribas Fortis, all of which expire in 2020. The lines at Belfius and ING are hedged by interest rate swap contracts to set the interest rate until maturity in 2020. In 2019, EUR 5.2 million were repaid.

EVS granted a mortgage mandate on the new building to the banks for a total amount of EUR 19 million. The credit is amortized and may be repaid before its final maturity without significant penalty.

Conventions for these bank loans contain certain covenants that are monitored by the management of EVS. On December 31, 2020 they were fully met. As reminder, these bank loans were paid out during 2020.

20.3. Lease liabilities

The increase of the lease liabilities during 2020 is mainly explained by the acquisition of Axon and the new lease contract of the year.
Depending on the countries and the leased assets, the Group used incremental borrowing rates from 2% to 8% for the lease liabilities (and therefore, the right of use assets) calculation.
The table below shows the maturity analysis (undiscounted cash flows) for the lease liability:

(EUR thousands)	Within 1 year	Between 2 and 5 years	Over 5 years	Total
Lease liabilities	3,434	8,012	1,911	**13,357**

20.4. Other long term debt

On the EVS balance sheet as of December 31, 2014, an amount of EUR 2.2 million had been recognized in “other long term debts”, to reflect the best current estimate of the contingent consideration at the acquisition date incurred in connection with the acquisition of SVS. The best estimate of the future "earn out" was calculated taking into account the probabilities of 3 possible scenarios on the evolution of future business plan related to the sale of products developed by SVS. The liability of EUR 2.2 million corresponded to the estimated discounted future payments based on the operating income associated with this activity, according to the probabilities of the scenarios.

In 2017, this contingent consideration (potential earn-out following the acquisition of SVS at the end of 2014) was reversed.

As of December 31, 2020, EVS has performed a remeasurement of the liability based on an updated business plan and associated updated financial assumptions. This remeasurement confirms that the recognition of the contingent consideration is not justified anymore.

20.5. Liabilities from financing activities

			Non-cash changes		
In thousands of Euro	**1 January 2019**	**Cash flows**	**Foreign exchange movements**	**Other**	**31 December 2019**
Long-term borrowings	4,050	-4,050	-	-	-
Short-term borrowings	5,250	-1,200	-	-	4,050
Lease liabilities	11,540	-2,891	96	-	8,746
Total liabilities from financing activities	**20,840**	**-8,141**	**96**	**-**	**12,796**

			Non-cash changes		
In thousands of Euro	**1 January 2020**	**Cash flows**	**Foreign exchange movements**	**Other**	**31 December 2020**
Long-term borrowings	-	5,500	0	-2,172	3,328
Short-term borrowings	4,050	-4,590	0	2,172	1,632
Lease liabilities	8,746	-3.224	-247	6.729	12.004
Total liabilities from financing activities	**12,796**	**2,297**	**-267**	**3,132**	**16.964**

21. PROVISIONS

(EUR thousands)	Other provisions	Technical warranty	Total
Provisions			
As of January 1, 2020	297	1,339	1,636
Arising during the year			-
Utilized	-157		- 157
Reversed	-55	-125	- 180
Others			0
As of December 31, 2020	**85**	**1,214**	**1,299**
Current 2019	-	-	-
Non-current 2019	297	1,339	1,636
Current 2020	-	-	-
Non-current 2020	85	1,214	1,299

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

A provision is booked since 2012 to cover two-year technical standard warranties on the equipment sold as from the delivery, as stated in our general terms and conditions. This provision, with an undefined term, has been reevaluated quarterly, based on a historical analysis of the costs incurred over the years to cover two years of costs associated with these warranties. The end 2020 estimate represented an amount of EUR 1.2 million (EUR 1.3 at the end of 2019).

22. TRADE AND OTHER PAYABLES

(EUR thousands)	December 31, 2020	December 31, 2019
Trade payables	5,775	4,870
Amounts payable linked	-	-
Other related parties	-	-
Total trade payables	*5,775*	*4,870*
Other payables	7,655	2,499
Accrued charges	902	708
Deferred income	5,254	5,468
Total	**19,586**	**13,545**

Trade payables are non-interest bearing and are normally settled on 45-day terms. Other trade payables mainly consist of advances received from customers and the contingent consideration related to the acquisition of Axon Group.

During 2020, EVS recognized a contingent consideration related to the acquisition of Axon Group for EUR 1 million (refer to note 10 Goodwill). As of December 2020, EVS has performed a remeasurement of the liability based on an updated business plan and associated updated financial assumptions. The result of these calculations would not significantly impact the liability initially recognized.

23. COMMITMENTS AND CONTINGENCIES

23.1. Operating lease commitments

Except for leases already reported under IFRS 16 (see notes 12 and 20), the Group has no material lease commitments to disclose.

23.2. Commitments relating to technical guarantee in respect of sales

Generally, EVS Group grants a 2-year technical guarantee on products sold subject to the general conditions of sale. We should note that, at the end of 2020, a provision of EUR 1.2 million is booked in relation with this warranty, as explained in the note 21.

23.3. Bank guarantees

Bank guarantees amounted to EUR 0.8 million as of December 31, 20120 mainly requested as part of international public tenders, or as security deposit.

23.4. Contractual guarantees

Contractual guarantees were established for the benefit of contracting persons/partners for a maximum potential amount of EUR 1.0 million at December 31, 2020.

23.5. Guarantees on asset

Mandates for mortgage with banks were granted for EUR 18 million to guarantee our obligations with those banks.

23.6. Other guarantees and contingencies

No guarantee to be mentioned.

24. RELATED PARTY DISCLOSURES

24.1. Affiliates

The consolidated financial statements include the financial statement of EVS Broadcast Equipment SA and the subsidiaries consolidated according to the fully consolidation method listed in note 4. They are representation and distribution subsidiaries for the products developed by EVS.
The table hereunder provides the total amount of transactions which have been entered into with related parties that are not fully consolidated (for information regarding outstanding balances at year end, refer to notes 15 and 22).
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	2020	-	-399	-	-
	2019	-	-623	-	71
Total	**2020**	**-**	**-399**	**-**	**-**
	2019	**-**	**-623**	**-**	**-71**

24.2. Executives

There were no significant related party transactions in 2020, other than the ones that are mentioned in the remuneration report, on page 13 and following.

25. AUDITOR

Since the Ordinary General Meeting of May 17, 2016, the audit of the statutory and consolidated accounts of EVS Broadcast Equipment SA to EY Reviseurs d'Entreprises SRL (B-00160), represented by Marie-Laure MOREAU (A-01729), Belgian Réviseur d'Entreprise. The mandate of the Auditor is for three years (ending in May 2019). The mandate has been renewed for a period of three years at the Ordinary General Meeting held on May 21, 2019.

In 2020, all fees related to the Auditor of the parent company, EY Reviseurs d'Entreprises SRL (B-00160), represented by Marie-Laure MOREAU and its associates, amounted to EUR 106,743 in aggregate for their duties as Auditor. Non-audit services were carried out by the Commissioner for a total of EUR 33,389. These missions are compatible with the statutory audit of the consolidated accounts and have been pre-approved by the audit committee.

26. FINANCIAL RISK MANAGEMENT POLICIES

The group enters into derivative transactions, principally forward currency contract. The purpose is to secure its purchases and its sales in foreign currencies against negative variations of these currencies. Indeed, the group has transactional currency exposures. Such exposure arises from sales or purchases by operating entities in currencies other than the group's functional currency.

The main risk arising from the group's financial instrument is described in note 27.2. The group's principal financial instruments, other than derivatives, comprise bank loans, finance leases and operating leases, cash and short-term deposits. The purpose of these financial instruments is to raise finance for the group's operations.

The group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The group's policy is, and has always been, that no trading in financial instruments shall be undertaken.

27. FINANCIAL INSTRUMENTS

27.1. Fair values of the financial instruments

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

27.2. Foreign currency risk

Periodically, EVS measures the group's anticipated exposure to transactional exchange risk over six months to one year.
In its current structure, the group's exposure is mainly linked to the EUR/USD risk. The group invoices all clients in Euro, except the United States (in USD), while a lot of operational and fiscal expenses are libeled in USD. As a result, the group is "long" in USD, i.e. all of the group's activities generate globally a positive net cash flow in USD.

On the basis of the forecasts and according to the market conditions, the group hedges up to 50% of the exchange rate risk on estimated net future flows, mainly through forward foreign exchange contracts (in USD). EVS does not apply hedge accounting according to IAS 39 for those transactions.

Foreign exchange contracts are revalued at each closing at their market value. The generated exchange rate profit or loss is recorded in the "Other net financial income/(charges) account in the consolidated income statement.

The valuation techniques used are mainly based on spot rates, forward rates and interest rate curves.

On December 31, 2020, the group held USD 6.5 million in hedging contracts, with an average maturity date in June 2021, and
an average exchange rate of EUR/USD of 1.1829. At year end, the fair value of these hedging contracts is EUR 0,2 million.

27.3. Credit risk

Credit exposure is controlled and reviewed regularly by the management.

Trade receivables consist of a large number of customers, spread across many geographical areas. The evolution of the credit risk is monitored permanently. As of December 31, 2020, it is assumed that the carrying amounts of those trade receivables are the most appropriate estimate to the fair value of those assets.

The credit risk on financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

In addition, as explained in the note 23.3, the group is exposed to credit risk in relation with bank guarantees. As of December 31, 2020, the maximum amount the group could have to pay if these guarantees are called on is EUR 0.8 million.

28. EVENTS AFTER THE BALANCE SHEET CLOSING DATE

There are no significant events to be reported.

STATUTORY AUDITOR'S REPORT

Independent auditor's report to the general meeting of EVS Broadcast Equipment SA for the year ended 31 December 2020

As required by law and the Company's articles of association, we report to you as statutory auditor of EVS Broadcast Equipment SA (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on on the consolidated statement of the financial position as at 31 December 2020, the consolidated statement of the realized and un-realized results, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2020 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 21 May 2019, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2021. We performed the audit of the Consolidated Financial Statements of the Group during 5 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of EVS Broadcast Equipment SA, that comprise of the consolidated statement of the financial position on 31 December 2020, the consolidated statement of the realized and un-realized results, the consolidated statement of changes in equity and the consolidated statement of cash flows of the year and the disclosures, which show a consolidated balance sheet total of € 190.016 thousands and of which the consolidated income statement shows a profit for the year of € 7.186 thousands.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2020, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

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

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

Key audit matters

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

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

Revenue recognition – complex contracts

Description of the key audit matter

As of December 31, 2020, the Group's turnover amounts to € 88.111 thousands, of which a portion relates to fix price contracts that are generally spread over several months. Because the revenue recognition process is manual and not automated, there is a risk that revenues are not be recognized according to the contract terms and that revenues are recognized in the wrong financial period.

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

Summary of audit procedures performed

We performed the following procedures :

- We assessed the revenue recognition process as well as the operational effectiveness of internal controls.
- We performed analytical procedures comparing revenues, on a desagragated basis, with those of the previous year and with the budget. Variances were discussed with management.
- We used data analysis tools including all accounting entries to identify revenues that are not recognized through trade receivables as well as trade receivables that are cleared via an account other than cash. We also used this tool to test unusual or unexpected entries.
- Based on a statistical sample, we performed cutoff testing by analysing deliveries and receptions close to the closing date.
- We analyzed significant and complex contracts. We discussed and analyzed the revenue recognition principles adopted by the Group based on contractual terms.
- We assessed the adequacy of notes 2.24 and 3.2 of the Consolidated Financial Statements.

Purchase Price Allocation – Axon

Description of the key audit matter

During the financial year ended 31 December 2020, the Group acquired 100% the shares of Axon and subsidiaries ("Axon") for a total consideration transferred of € 12.211 thousands, fully paid in cash. The allocation of the purchase price to identifiable assets and liabilities acquired was performed by EVS Group and lead to the recognition of intangible assets amounting to
€ 10.741 thousands, of which € 2.832 thousands is goodwill and for which earn-out liabilities are estimated based on the contingent consideration arrangements (€ 1.019 thousands as of
31 December 2020).

This significant purchase price allocation exercise was performed during the year in accordance with IFRS 3.

We have determined this to be a key audit matter based on the quantitative materiality of the acquisition and the significant management judgment and estimates. The purchase price allocation exercise requires the alignment of the accounting records of the acquired entities with the accounting policies of the Company and involves significant judgments and estimates by the management to assess the fair value of the assets acquired and liabilities assumed related to the purchase price allocation in accordance with IFRS 3.

In addition, the valuation of the earn-out liabilities requires also significant judgements on the underlying assumptions used in the calculation models as determined in the share purchase agreements.

Summary of audit procedures performed

We performed the following audit procedures :

- We have performed audit procedures on the financial information of the acquired entities at the date of acquisition. We have validated the alignment of the local financial information with the accounting policies of the Company.
- We have validated, with the assistance of our internal valuation experts, that the methodologies used by the Company for the estimation of the fair value of assets acquired and liabilities assumed are in accordance with IFRS 3 and industry practices.
- With the assistance of our internal valuation experts, we have assessed and benchmarked the key inputs and assumptions (underlying opening

balances, business plans, discount rates, EBITDA margins, growth rates,…) used in the purchase price allocation calculations prepared by the Company.

- We have validated all significant accounting entries relating to the fair value impacts on assets acquired and liabilities assumed resulting from the purchase price allocation.
- With respect to the valuation of the earn-out liabilities, we have analyzed the contractual agreements and verified whether the conditions are correctly reflected in the valuation of the estimated earn-out liabilities. We have assessed and discussed the business plans of the acquired entities that are used as basis to determine the earn-out liabilities. Finally, we have assessed the mathematical accuracy of the detailed calculations supporting the valuation of these earn-out liabilities.
- Furthermore, we have assessed the adequacy and completeness of the disclosures in notes 10.2 to the Consolidated Financial Statements based on the IFRS requirements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Profile
- Message to the shareholders
- 2020 highlights
- Strategic priorities
- Key products
- Corporate social responsibility
- Shareholders' information
- Presence in the world

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non–financial information required by article 3:32, § 2, of the Code of companies and associations has been partially included in the Board of Directors' report on the Consolidated Financial Statements. The Group has not based the non-financial information on an international framework. We do not express any form of assurance regarding the individual elements included in this non-financial information.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Liège, 16 April 2021

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Marie-Laure Moreau *
Partner
*Acting on behalf of a BV/SRL

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BELGIAN GAAP PARENT COMPANY FINANCIAL STATEMENTS

These financial statements are related to the figures for the parent company, EVS Broadcast Equipment SA (Belgium). These statements are disclosed according to the short version allowed by Article 3:17 of the Belgian Company and Association Code. They are filed at the “Banque Nationale de Belgique” and are available on request at the company’s head office, but also on the company website (www.evs.com). They have been unconditionally attested by EY, Auditors, represented by Marie-Laure MOREAU, Partner.

STATUTORY MANAGEMENT REPORT

As foreseen by the Law, the consolidated management report has been drawn up to also be used as the management report on the parent company’s financial statements. The management report on the parent company’s financial statements is therefore similar to the consolidated management report, except for the following notes:

- The parent company’s financial statements include the figures for the head office in Liege (Belgium): revenue of EUR 68,539 thousand, representing 77.8% of the consolidated amount.
- The profit of the year amounts to EUR 2,746 thousand, compared to EUR 18,661 thousand in 2019. The balance sheet total amounts to EUR 161,460 thousand.
- In 2020, EVS Broadcast Ltd. (Hong Kong) paid dividends to its parent company EVS for a total amount of EUR 1.3 million.
- In accordance with the Article 3:6 of the Belgian Company Code, within the Audit Committee, Philippe Mercelis (having more than 30 years of experience in financial services industry, Chantal De Vrieze (Certificate in law, and many years of experience in executive functions, incl. in the Altran and Econocom groups), Martin DePrycker (holding a Ph.D in Computer Sciences, as well as a MBA from the University of Antwerp) and the president of the board who is also a member of the audit committee have the competencies in accounting and audit.
- Since 2016, research expenses can no longer be included in the balance sheet. Only the development costs can be capitalized in the balance sheet. Research expenses incurred in previous years remain subject to the previous regime. In 2020, EVS incurred an amount of EUR 17.2 million for R&D expenses, which were amortized immediately and fully in accordance with the new valuation rules in this area.
- No event other than those reported in the consolidated management report has affected the parent company’s financial statements.

BELGIAN GAAP STATUTORY INCOME STATEMENT

(EUR thousands)	2020	2019
Operating income	**90,595**	**110,343**
A. Turnover	68,539	87,900
B. Increase (+)/decrease (-) in stocks of finished goods, work and contracts in progress	2,628	1,241
C. Capitalized production	17,158	19,128
D. Other operating income	2,271	2,074
E. Non-recurring income	-	-
Operating charges	**-86,176**	**-94,322**
A. Raw materials, consumables and goods for resale	-14,991	-16,510
1. Purchases	*-17,507*	*-17,430*
2. Increase (+)/decrease (-) in stocks	*2,516*	*920*
B. Services and other goods	-24,045	-25,069
C. Remuneration, social security costs and pensions	-24,901	-28,326
D. Depreciation of and other amounts written off on formation expenses, intangible and tangible fixed assets	-20,861	-23,281
E. (+)/(-) in amounts written off on stock and trade debtors	-668	-1,403
F. (+)/(-) in provisions for liabilities and charges	-226	469
G. Other operating charges	-484	-201
H. Non-recurring charges	-	-0,9
Operating profit	**4,419**	**16,021**
Financial income	**3,272**	**6,977**
A. Income from financial assets	1,525	5,974
B. Income from current assets	5	3
C. Other financial income	1,742	1,000
Financial charges	**-7,358**	**-957**
A. Interest and other debt charges	-270	-289
B. Write-offs on current assets other than stocks, work in progress and trade receivables (+, -)	-1,200	-30
C. (+)/(-) in amounts written off on current assets	-1,584	-638
X. Charges financières non récurrentes	-4,304	
Profit on ordinary activities before taxes (+,-)	**333**	**22,041**
Transfer and withdrawal from deferred taxation	80	51
Income taxes	2,333	-3,431
Result for the period (+, -)	**2,746**	**18,661**
Transfers from not taxable reserves	985	116
Transfers to not taxable reserves	-	0,5
Result for the period available for appropriation (+, -)	**3,730**	**18,777**
Appropriation account		
A. Result to be appropriated	29,168	32,710
B. Transfers from reserves	-	-
C. Transfers to reserves	-	-
D. Profit / Loss to be carried forward	-29,168	-25,438
E. 1. Dividends	-	-6,972
E. 2. Other equivalents	-	-300

BELGIAN GAAP STATUTORY BALANCE SHEET

ASSETS (EUR thousands)	**31.12.20**	**31.12.19**
Fixed assets	**57,399**	**51,632**
Intangible assets	63	103
Tangible assets	41,804	43,940
A. Land and buildings	39,816	41,900
B. Plant, machinery and equipment	129	129
C. Furniture and vehicles	1,280	1,373
D. Leased assets	184	430
E. Other tangible assets	23	23
F. Assets under construction and advance payments	371	85
Financial assets	15,532	7,589
A. Affiliated companies	15,346	7,402
1. Participating interests	*5,454*	*5,072*
2. Amounts receivable	*9,892*	*2,330*
B. Other companies linked to participating interests	99	99
1. Participating interests	*99*	*99*
2. Amounts receivables	-	-
C. Other financial assets	88	88
1. Participating interests	-	-
2. Receivable and cash guarantee	*88*	*88*
Current assets	**104,061**	**109,333**
Amounts receivable after more that one year		
A. Trade debtors		
Stocks and contracts in progress	18,502	14,832
A. Stocks	18,502	14,832
1. Raw materials and consumables	*10,550*	*10,518*
2. Goods in process	-	-
3. Finished goods	*5,931*	*3,863*
4. Goods for resale	*2,021*	*451*
B. Goods in process	-	-
Amounts receivable within one year	28,451	32,439
A. Trade debtors	26,569	30,987
B. Other amounts receivable	1,882	1,452
Investments	33,926	26,545
A. Treasury shares	15,501	8,704
B. Other investments and deposits	18,425	17,841
Cash at bank and in hand	20,714	33,515
Deferred charges and accrued income	2,468	2,002
TOTAL ASSETS	**161,460**	**160,965**

LIABILITIES (EUR thousands)	**31.12.20**	**31.12.19**
Capital and reserves	**134,083**	**131,617**
Capital	**8,772**	**8,772**
A. Issued capital	8,772	8,772
Share premium	**14,462**	**14,462**
Reserves	**78,530**	**78,770**
A. Legal reserve	877	877
B. Reserves not available for distribution	15,501	8,704
1. In respect of treasury shares	*15,501*	*8,704*
C. Not taxable reserves	3,400	4,385
D. Reserves available for distribution	58,751	64,804
Profit / Loss carried forward	**28,424**	**25,438**
Investment grants	**3,894**	**4,175**
Provisions and deferred taxation	**2,753**	**2,608**
A. Provision for liabilities and charges	1,862	1,636
B. Deferred taxation	891	972
Creditors	**24,624**	**26,739**
Amounts payable after one year	**3,337**	**136**
A. Financial debts	3,328	127
1. Debts from leasing agreements	-	127
2. Credit institutions	*3,328*	-
B. Other amounts payable	9	9
Amounts payable within one year	**18,144**	**24,032**
A. Current portion of amounts payable after one year	1,759	4,299
B. Financial debts	-	-
C. Trade debts	7,803	8,049
1. Suppliers	*7,803*	*8,049*
D. Advances received on orders	3,191	2,131
E. Taxes, remuneration and social security	5,308	9,236
1. Taxes	*850*	*3,266*
2. Remuneration and social security	*4,459*	*5,970*
F. Other amounts payable	83	317
Accrued charges and deferred income	**3,143**	**2,571**
TOTAL LIABILITIES	**161,460**	**160,965**

APPENDIX TO PARENT COMPANY FINANCIAL STATEMENTS

Capital as of December 31, 2020 (EUR thousands)	Amounts	Number of shares
A. Share capital		
1. Issued capital	8.772	14,327,024
2. Structure of capital		
2.1. Different categories of shares		
Shares without face value	8.772	14,327,024
2.2. Registered shares and bearer shares		
Registered shares – as of December 31, 2020		1,282,751
Dematerialized shares – as of December 31, 2020		13,044,273
B. Treasury shares held by the company itself	**15,501**	**928,207**
C. Commitments to issue shares		
1. Following the exercise of subscription rights		
- Number of outstanding subscription rights		325,832
- Amount of capital to be issued	6,572	
- Maximum number of shares to be issued		325,832
D. Amount of authorized capital, not issued	**1,170**	