Annual Report 2021

→ evs.com

We are EVS

We create return on emotion

EVS is a European broadcast technology company, headquartered in Liège, Belgium, with over 560 team members working in 20-plus offices and development centers all over the world. Founded in 1994, EVS's early years were marked by the pioneering work of the founding team in tapeless television technology and the launch of the iconic Live Slow-Motion (LSM) system, which rapidly became the standard replay technology for all broadcast sporting events across the globe.

Who are we

Recognized globally as the leader in live video technology for broadcast and new media productions, our passion and purpose are to help our customers craft compelling stories that trigger the highest return on emotion.

What do we deliver

Our technology is used by customers around the world to deliver the most gripping live sports images, buzzing entertainment shows and breaking news content to billions of viewers every day, all over the world – and in real time.

Customer success

Shortly after it was established, EVS became a key player in the industry, offering its reliable and innovative technology and providing first-class support to customers located in many parts of the world.

Customer success is what keeps us on our toes. We are committed to helping our clients grow as the industry evolves. To deliver on this promise, we continue to invest in the latest technologies. Through our pioneering work in IP, artificial intelligence, HDR, the Cloud, etc. we constantly remain ahead of the curve, while ensuring that our customers are empowered with smart, reliable and scalable solutions that produce the best live stories today and tomorrow.

Content

International footprint

Founded in 1994

30 nationalities

HQ in Liège, Belgium

€137.6m revenue in 2021

564 full-time equivalents EOY 2021

€37.1m EBIT 2021

Publicly traded since 1998

Our values

/ We are **customer-success** orientated.
/ We value **teamwork**.
/ We are **accountable**.
/ We are **passionate**.
/ We aim for **excellence**.
/ We focus on **innovation**.
/ We are **agile**.

Solid foundations for sustainable growth

A snapshot of the past, a glimpse into the future

Q&A with Serge Van Herck, EVS CEO

EVS reported a positive 2021 review, with revenues achieving near record results. What are the reasons for that?

2021 was marked by a number of key international sporting events, many of which had been postponed from 2020 due to the pandemic. This return of live sports, combined with an increasing need for remote production capabilities, prompted many broadcasters and media companies to accelerate their investments in new EVS solutions.

I am pleased to see that our PLAYFoward strategy, which we defined in early 2020, is generating the anticipated growth in both our customer segments. After a year of major Covid slowdown in 2020, our LSP (Live Service Providers) customers increased their investments in 2021. Many of them are now accelerating the upgrading of their existing EVS LiveCeption infrastructure, taking advantage of our latest generation of XT-VIA servers and our new LSM-VIA remote solution augmented with new cloud based on-demand services. The revenues generated by our LAB (Live Audience Business) customers continue to rise year after year. Our MediaCeption solution, which provides a state-of-the-art Production Asset Management solution, is increasingly gaining market share in large studio environments.

Throughout the year, we saw several strategic deployments of our LiveCeption, MediaInfra and MediaCeption solutions for high-quality replays and highlights, reliable media infrastructures, and swift content turnaround. Despite the challenging conditions linked to the ongoing pandemic, we remained close to our customers at all times, providing them with the support they needed to achieve higher levels of flexibility and agility for their productions, and prepare for the new post-Covid reality.

Moreover, EVS is globally renowned for its live replay technology, so it comes as no surprise that our new LSM-VIA IP-based replay system - which was launched in 2020 - enjoyed a strong start in 2021, with a significant order intake ahead of the preparations for the year's big events.

Overall, I would say it is due in particular to our agility, innovation and ongoing dedication to our customers' success that we were able to achieve near record results in 2021 and I believe these same qualities will fuel more growth for EVS as we move forward.

What were EVS' main achievements in 2021?

Besides enjoying the commercial success of our solutions being used for the production of the biggest international sporting events, we continued to add complementary value to our product portfolio and expand our expertise into new areas.

I'm particularly satisfied with the strong and steady opportunity growth of our MediaInfra portfolio since the acquisition of Axon in back in 2020. Just over a year later, in June 2021, we successfully launched our new MediaInfra Strada turnkey IP/SDI video routing solution and added exciting new functionalities to our Neuron and Cerebrum product lines. These recent developments have been instrumental in helping our customers modernize their infrastructures and are proof of the success of our growth strategy. Recent examples include French broadcaster Canal +, which performed a major upgrade of its media IP infrastructure using our Cerebrum broadcast control and monitoring solution, and a leading Japanese broadcaster (and customer of our channel partner Photron), which implemented Neuron Compress to support their JPEG XS encoding and decoding needs and give them the proper foundations to grow into full IP infrastructures.

The industry was also hugely receptive to the launch of XtraMotion, our innovative cloud-based service which is designed to generate super slow-motion replays from any camera, using our own artificial intelligence (AI) algorithms. The service has already won three industry awards and is regularly used by customers such as Fox Sports and NVP Italy to enhance the live storytelling on their productions.

We were also proud to see our Xeebra multi-camera review system successfully completing FIFA's Quality Programs for VOL and VAR last year. The coveted certification is a testament to the efforts made by our teams to further improve the accuracy and consistency of our video assistant referee and virtual offside line technology.

Also worth highlighting are the recent efforts we have been making to expand our coverage of the market with an enhanced channel partner program. Within just six months, we were able to onboard nearly 30 strong channel partners, and we will be welcoming more in the near future.

What will be the most important growth drivers for EVS in 2022 and beyond?

2022 is set to be another great year for international sports competitions and many of our customers are looking to upgrade their existing infrastructures with our LiveCeption Signature solution so as to increase the value and efficiency of their productions for these events. As a matter of fact, the central components of the solution, namely our XT-VIA production servers and our LSM-VIA systems, are fast becoming the new standard in the industry for the creation of high-quality live production, replays and highlights, so we anticipate further investments in this area.

"We have a clear strategy and blueprint that set the trajectory for significant and sustainable growth, and a healthy financial balance sheet that will allow us to be more resilient in the face of unforeseen challenges.

SERGE VAN HERCK / CEO

As the industry continues its steady transition to more IP-based infrastructures, our Mediainfra solutions are also likely to gain further traction. For broadcasters who are still operating in SDI but are looking for a progressive and safe path to IP, our MediaInfra Strada IP/SDI video routing solution for instance will be a definite game-changer.

Following the successful launch of XtraMotion, we can also expect to see further development of other hybrid and cloud native solutions. Already deployed at a number of major summer sports events last year, MediaHub content sharing and distribution platform is an extremely promising new service that offers the possibility for right holders such as broadcasters to "click and collect" content produced under the control of the right owner – usually the host broadcaster of sport event or concert. This is yet another example of a service that has been optimized to run in the cloud, reducing the need to produce or buy additional equipment.

Broadcast networks are relying more and more on software technologies, and there's no going back. This brings many advantages in terms of flexibility, but it also widens the attack surface, exposing vulnerabilities that cyber attackers are all too willing to exploit. If the issue of cyber security was relevant last year, it will be even more so in the future. That's why we are continuing to invest in more competences in that area, ensuring that the level of cyber security is being further increased across all our products and solutions and offering the advice our customers need to become more cyber resilient.

And finally, above and beyond our activities designed to bring new innovative solutions and new areas of expertise to the industry, we will continue to explore synergistic acquisition opportunities to complement our product portfolio.

What are the main challenges that you see ahead?

As we accelerate our time to market, it will be important for us to find the right talent to support the growth we anticipate. Our human resources team is doing an outstanding job keeping our team members motivated and engaged. Now the focus is on increasing our efforts to accelerate the recruiting process and secure the right talent for tomorrow.

We also recognize the need to further strengthen our operational readiness. We've made great strides in this area, since we are currently working on the implementation of a new ERP and ticketing system that will allow us to manage our resources more efficiently, as we continue to scale up our business.

Last but not least, both the electronic component shortage and rising inflation are challenges that we are proactively taking into account so that we can limit their impact on our operations and financial results.

What corporate social responsibility initiatives is EVS putting in place to drive positive change for its team members, communities, and environment?

Corporate social responsibility is an increasingly important part of EVS' operation. We believe every company, every organization and every human being should actively find new ways to minimize their impact on the environment. And because social challenges are just as important, EVS' caring culture is being developed to support not only the environment, but also our customers, our team members, and our community.

Last year for example, we were deeply saddened by the catastrophic floods that impacted many regions of the world, including the valleys close to our HQ in Liège, Belgium. EVS provided financial help for the local communities, including schools, and for some of our own team members living in the affected area, to meet their immediate needs and help them with their rebuilding efforts.

However, we are convinced that we should be even more pro-active in our approach in the future. As the effects of climate change accelerate, we are aware of the need to increase our longer-term commitments to the environment. Already accountable, our learning organization is heading towards an even more sustainable way of doing business, always keeping in mind a picture of the world we want our children to live in.

How do you see the future ahead?

Our outlook for 2022 and beyond is cautiously optimistic. We have a clear strategy and blueprint that set the trajectory for significant and sustainable growth, and a healthy financial balance sheet that will allow us to be more resilient in the face of unforeseen challenges.

Moving forward, we will work on solidifying our market-leadership position and capitalizing on growth opportunities. We will continue to transform the live production landscape for the better, helping our customers to succeed by bringing more innovative solutions and continuing to offer the best service levels.

We are proud to say that we will continue to create return on emotion for our customers. We help our customers to create emotions for billions of people every day, throughout the world.

And as always, we will remain focused on creating long-term value for you, our shareholders.

We thank you for your interest in and support for our company.

SERGE VAN HERCK / CEO

Foreword by Johan Deschuyffeleer, Chairman of the Board

Dear Shareholders,

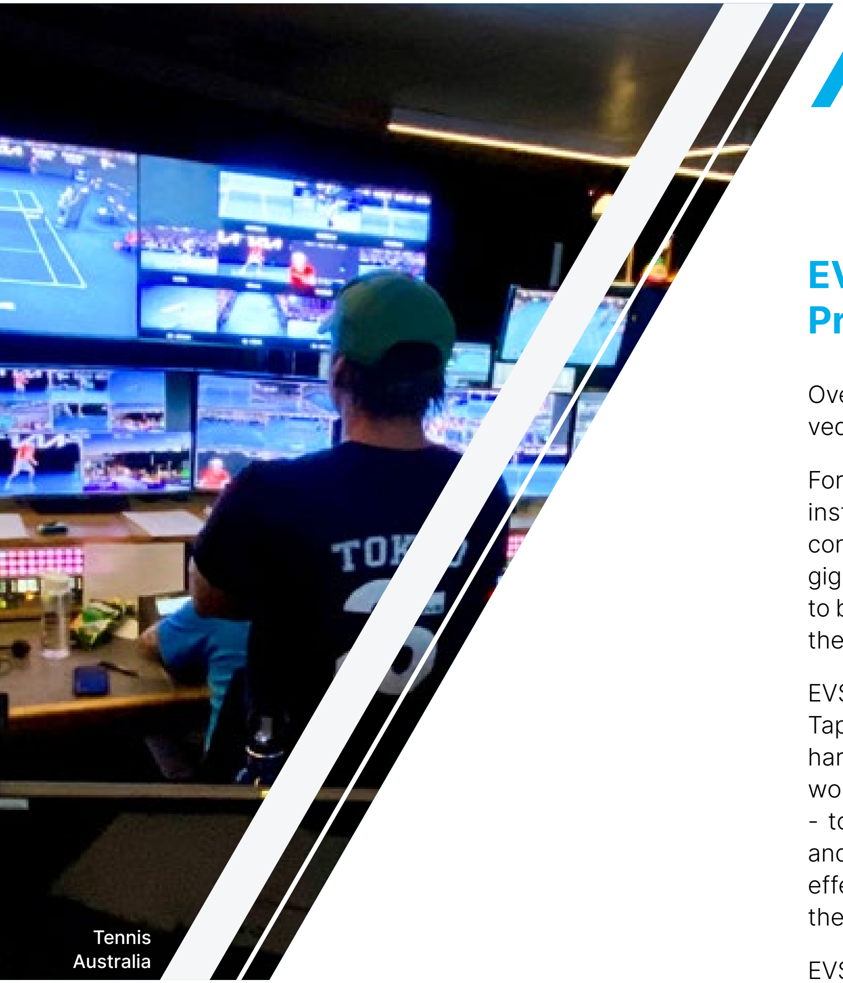
At EVS, we constantly strive to grow our company and create long-term value for our shareholders. Even in 2020, an unprecedented year marked by challenging market conditions, we remained a profitable company, distributing dividends to all our shareholders while many others were suspending their payments as a safeguard measure. In 2021, we confirmed our strong financial position with the announcement of near-record results. And now, as we enter 2022, we are focused on further increasing our revenues and profitability by activating the growth phase of our PLAYForward strategy. Thus, we will seek strategic relationships and other M&A opportunities that will make an effective contribution to our bottom line, all while ensuring that we constantly track and validate the long-term return on our investments. These initiatives remain perfectly in line with our transparent and robust dividend policy, which is balanced between steady growth of the immediate return-on-investment for our shareholders and investment in mid-term dividend growth.

I am excited about the opportunities that lie ahead for EVS, and I am confident we are uniquely positioned to achieve sustainable and profitable growth. I would like to thank all the colleagues at EVS, who show their commitment and passion to our company and our customers every day, and who help us deliver the strong financial results you expect. And of course, I would like to thank you, our shareholders, for the trust you have placed in us. Thank you for being part of the EVS adventure.

JOHAN DESCHUYFFELEER / CHAIRMAN OF THE BOARD

In 2021, we confirmed our strong financial position with the announcement of near-record results.

JOHAN DESCHUYFFELEER / CHAIRMAN



Tennis Australia

Introducing EVS

EVS as a leader in Live Production...

Over the past 25 years, EVS has acquired the well-deserved status of the top brand in Live TV Production.

For a Live TV Production, large numbers of cameras are installed either in a studio or around a sports field or concert stage. All the content from these cameras – many gigabits per second of video, audio and data signals – has to be processed in real time by production equipment and the production staff.

EVS products not only record all the content - as a Video Tape Recorder would do – but also provide the dedicated hardware and software tools for the production staff – working under the huge pressure of live productions - to decide which image will be seen by the audience and when, to manage the content and produce unique effects to create the story and the related emotion for the audience.

EVS hardware and software products are used during live productions both to prepare the live production itself and to build and run programs before and after a live event.

... far beyond slow-motion replay during televised sporting events...

EVS is well known for its iconic XT server used for slow-motion replay during live televised sporting events. But this is definitely not the whole story.

EVS has broadened the scope far beyond replay servers, providing support for many live and non-live workflows to ingest various kinds of content and playout in many different circumstances. The acquisition of Axon in 2020 extended the solutions portfolio to cover the routing, conversion, monitoring and control of all live video, audio and data signals across all production equipment.

With audiences adopting new behaviors, the scope of production and thus EVS workflows has been extended far beyond television to encompass all kinds of digital media.

Even though sporting events are probably the most demanding in terms of production as they are unscripted and the audience expects to be able to (re)view the key images from every angle in just seconds, EVS products are also increasingly used for news and entertainment programs, outdoors or in studios.

… based on strong foundations

EVS has established a reputation as a strong brand based on five foundations. Since a position never lasts forever, we have a duty to continue to make a difference on these five foundations.

/ The EVS brand is strong, underpinned by the excellence of its products, especially in live circumstances as described above.

/ EVS has always designed products for premium shows, naturally gathering communities of highly skilled operators who, in turn, are able to make a difference.

/ Listening to customers, and especially to these communities of operators and technical directors, has always been essential for EVS to build practical innovations, going the extra mile for the industry, sometimes facilitating the introduction of new formats, sometimes simplifying and automating the tasks so as to produce more with less.

/ EVS team members are known for their quality, responsiveness and knowledge of workflows. The standard of support they provide and their dedication is recognized in the industry. Sometimes, EVS is even asked to provide assistance so as to identify workarounds when products from other vendors fail or the support provided by other vendors is not fit for purpose. Thanks to EVS's understanding of the challenges of live productions, our knowledge of the many possible workflows and the flexibility of EVS products, EVS teams never hesitate to provide the necessary support so that such productions can take place in the best possible conditions.

/ Last but not least, the fifth foundation is about being a sound, trusted and long-term business partner. Backed up by strong profitability, EVS invests 50% of its human resources in R&D to continuously modernize existing products and to broaden the scope of the workflows supported by developing new components and solutions, organically or through partnerships and/or acquisitions.

"With audiences adopting new behaviors, the scope of production and thus EVS workflows has been extended far beyond television to encompass all kinds of digital media.

Market trends

Hybrid deployment & new business models moving forward

Covid-19 has been a definite accelerator for new operations and business models. Our customers have discovered the possibility of using distributed live content production models.

Even though 2021 saw a revival of more traditional practices, with more people and equipment at the venue than during the 2020 lockdown periods, our customers are willing to adopt hybrid deployment models, with part of the equipment and teams on site, part operating from another location and some equipment possibly being used in the cloud.

"The constant quest for more pixels is apparently being tempered by other values such as flexibility and agility within the productions.

In addition to this, our customers have discovered the virtues of this hybrid approach by adding SAAS and on-demand business models to the existing operating models.

At EVS, we have seen traction for our new XtraMotion cloud-based service. XtraMotion is an AI- based service that creates additional frames for smoother extra slow-motion replays produced by our LiveCeption solutions. Since XtraMotion requires substantial computing capacity which would hardly justify the immobilization of HW capacities, cloud deployment is particularly suited to provide resources for the exact production period. Customers can spend a few "EVS Credits" to book the resources they need and they can immediately benefit from great XtraMotion effects within their productions.

At the same time, EVS introduced the MediaHub service – a cloud-based content sharing and distribution service that allows right holders to click and collect their content of choice from the content produced under the control of events right owners. MediaHub was extensively and successfully used during some of the major summer sports events. It is now available to all customers as a MediaHub-365 subscription. While the production resources at the venue are only available during the events, MediaHub-365 extends the availability of the content as long as the right owner is interested in displaying and selling it.

Live-IP & Routing

The transition from SDI to Live-IP is also continuing, since it supports the additional flexibility required by new production methods. More and more OBVans are embracing at least part of the infrastructure in IP and most large modernization projects at Broadcast Centers are based on an IP core.

Nevertheless, some customers don't necessarily have the budget to replace their full range of existing equipment with IP-compatible equipment in one fell swoop, or they are unwilling to take the risk. Most customers prefer to move forward gradually and want to avoid a risky and expensive "big bang" replacement approach.

In response, we created the EVS MediaInfra Strada routing solution which offers a smooth transition towards IP. Thanks to the EVS MediaInfra Strada routing solution, our customers acquire an IP core including EVS Neuron Bridge to connect SDI legacy equipment, with the whole system run by a specific version of the EVS Cerebrum control system.

This approach enables customers to ensure a future-safe investment while waiting for the amount of legacy equipment in use to decrease as the investment cycle progresses. Thanks to the form of virtualization supported by the EVS Neuron platform, which means that EVS Neuron Bridge are no longer necessary, the same equipment can be reused for other applications such as Compression, Conversion to and from a multitude of formats, Audio signal conversion, Protection of the live-IP environment or as a multiviewer Mosaic generator.

This smooth evolution has attracted several customers since the solution was first introduced. TVA Canada was the first to deploy this option, followed by various others.

HDR confirmed as a proof that the industry is now looking for other values

Throughout 2021, we saw that HDR is gaining ground in productions, and especially in sports and entertainment, providing beautiful images with a minimal increase in the bandwidth. 4K is also increasing, although less rapidly than HDR, possibly because it also poses a greater challenge in terms of remote production (heavier signals to be carried).

The constant quest for more pixels is apparently being tempered by other values such as flexibility and agility within the productions.

We have seen several Live Service Providers such as Game Creek Video or AMP Visual TV continuing to enhance their LiveCeption solutions by upgrading their installed base of XT servers to XT-VIA. This enables them to support HDR and benefit from the flexibility provided by our new LSM-VIA, which is in such great demand.

As further proof of the underlying transformation of the industry, EVS has also been selected by RTBF to re- and co-invent the new and flexible production methods of the future, improving productivity and supporting new generations of programs.

VAR (Video Assistant Referee) spreading further

In the field of VAR, thanks to the development of the protocols proposed by IFAB for VAR in football, many smaller federations have begun to engage with VAR and our EVS Xeebra solution. We have extended our VAR product portfolio by launching Xeebra Essential, which offers the same reliability and simplicity of operation as Xeebra, to organize VAR with a maximum of eight cameras.

EVS Solutions

Hybrid deployment & new business models moving forward

Through our PLAYForward strategy, EVS initiated a transformation from product leader to solution leader. Since 2020, several solutions have been defined in three categories. New solutions were added or strengthened in 2021, relying on both strategic partnerships and own technological developments.

LiveCeption

Our LiveCeption solutions, which combine our state-of-the-art production tools with the latest advances in technology, are designed to enhance the visual narrative of all our customers' live productions, regardless of the requirements or the budget.

In 2021 a number of Live Service Providers, including the French company AMP Visual, accelerated the upgrade of their EVS server infrastructure to leverage the full power offered by the combination of XT-VIA and LSM-VIA within their replay workflows, in some cases specifically to deal with remote production. The solution has also been enhanced with the cloud-based XtraMotion service, which won an IABM award, offered through an innovative business model structured around on-demand consumption of EVS Credits.

> **New solutions were added or strengthened in 2021, relying on both strategic partnerships and own technological developments.**

MediaCeption

EVS' MediaCeption solutions can be used to manage the ingest of multiple live feeds, import files and Electronic News Gathering (ENG) material, log and manage content so that editorial teams can swiftly find and retrieve what they are looking for, and play out content in studios or publish it on digital platforms.

EVS won a number of major broadcast center modernization contracts during 2021 while completing the deployment of those won in 2020. Thanks to the VIA platform and MediaCeption solution, EVS is now considered a trusted partner by broadcasters for their modernization projects.

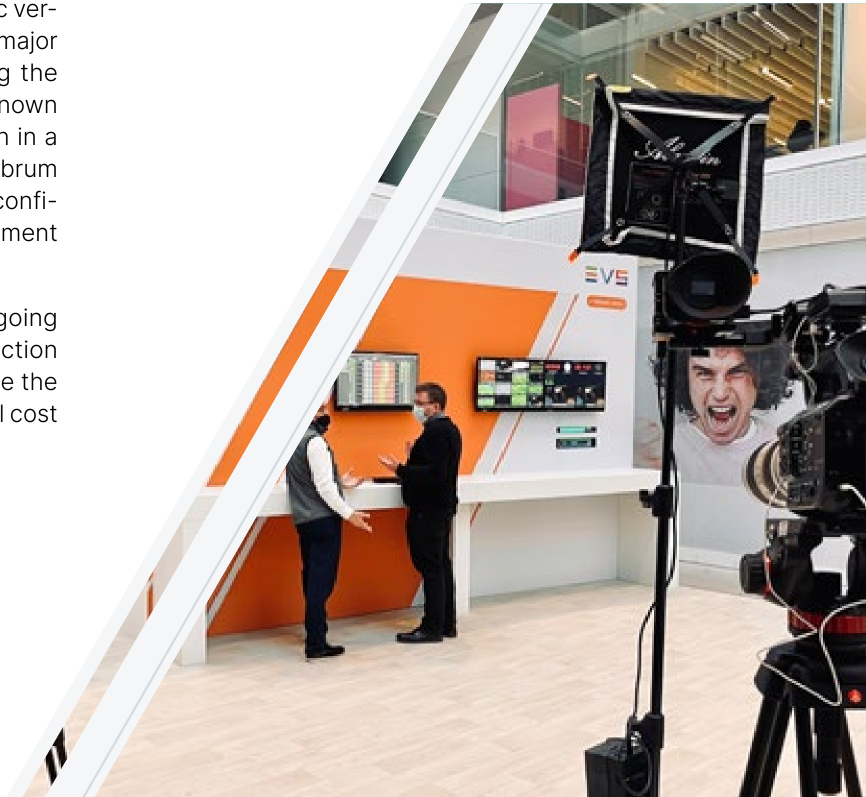
The MediaCeption solution portfolio has also been enhanced with EVS MediaHub, the new centralized video content distribution solution that allows right holders' production teams to instantly browse, review, select and deliver content from multiple sites provided by host broadcasters on behalf of right owners. Prior to 2021, EVS MediaHub had traditionally been reserved for Big Events. It is now available as an SAAS business model throughout the year in a multi-tenant configuration.

MediaInfra

EVS' MediaInfra solutions offer highly advanced broadcast control, monitoring, conversion and real-time processing for SDI, IP, and hybrid broadcast infrastructures.

EVS' evolutive video routing solution, Strada, has been gaining traction ever since it was announced in 2021. Thanks to partnerships with industry-leading switch vendors, the robust virtualized EVS Neuron platform and a specific version of the EVS Cerebrum Control System, EVS won major contracts in different parts of the world, including the Americas, where Media Infra solutions were still unknown two years ago, before the acquisition of Axon. Even in a stand-alone environment, the flexibility of EVS Cerebrum is now also appreciated in the USA as a means of configuring, controlling and monitoring broadcast equipment in OBVans and broadcast centers.

In 2022, EVS remains fully committed to the ongoing improvement and development of new live production solutions that help our customers to further increase the quality of their live productions and reduce their total cost of ownership.



Key successes of 2021

/MediaHub Australia upgrades to IP

MediaHub Australia, a leading specialist in broadcast playout, content delivery, data handling and archiving solutions, has selected EVS's Media Infrastructure solutions as the cornerstone of its upgraded in-house master control room (MCR). With Cerebrum, MediaHub Australia will be able to master multiple workflows, offering total control and customization over complex setups designed by the many broadcasters it works with.

Read more here:
https://evs.com/company/news/mediahub-australia-upgrades-ip-evs

/Game Creek Video completes first phase of major HDR upgrade

Game Creek Video, a leading provider of state-of-the-art mobile production units for large-scale live events, has recently completed the upgrade of one of its flagship HD production units to full HDR capabilities based on EVS's LiveCeption® and MediaCeption® solutions.

Read more here:
https://evs.com/company/news/game-creek-video-completes-first-phase-major-hdr-upgrade

/EVS launches Blackbird partnership

Blackbird is the world's fastest, most powerful professional cloud-native video editing and publishing platform, providing rapid access to video content for the easy creation of clips, highlights and long-form content to multiple devices and platforms.

BLACKBIRD

Read more here:
https://evs.com/company/news/evs-launches-blackbird-partnership-deployment-international-sporting-events

"As a certified partner, Blackbird is helping EVS to expand its live and near-live content management and distribution offering with the integration of a flexible infrastructure and future-proof cloud-based video editing that meets the challenging demands of the world's most prestigious sporting events."

NICOLAS BOURDON / CHIEF MARKETING OFFICER AT EVS

/EVS introduces its MediaInfra Strada SDI/IP routing solution

EVS has announced the introduction of MediaInfra Strada, a turnkey solution which combines SDI and IP routing capabilities in a single, easy-to-deploy system based on EVS's field-proven Cerebrum and Neuron product lines. In November the same year, the MediaInfra Strada turnkey routing solution won a TV Technology NAB Best in Market 2021 Award. The Best in Market Awards (previously Best of Show at the NAB Show) recognize innovation and excellence in new, recently introduced and pending products and services for professional TV/video, radio/audio and AV products and solutions.

Read more here:
https://evs.com/company/news/evs-introduces-its-mediainfra-strada-sdiip-routing-solution

/Gravity Media harnesses the power of EVS to deliver precision live video officiation

Renowned worldwide for supplying high-quality broadcast equipment, production facilities and services, Gravity Media supports the biggest names in broadcasting and sports.

Read more here:
https://evs.com/company/news/gravity-media-harnesses-power-evs-deliver-precision-live-video-officiation

"With Xeebra at the heart of our Gravity Review System (GRS) offering, we're empowering officials to make the right call, keep sports safe and ultimately deliver a premium audience experience for our broadcast clients."

BEN MADGWICK / DIRECTOR MEDIA SERVICES & FACILITIES

/AMP visual TV completes major upgrade of its OB truck fleet and studio facilities with VIA technology

AMP VISUAL TV, the leading broadcast service provider headquartered in France, has completed a major upgrade of its live production infrastructure with the latest LiveCeption Signature solution from EVS. As part of the EVS solution, a dozen XT-VIA servers have been acquired for deployment across AMP's fleet of 30+ OB trucks for premium sports productions and in its 20+ connected studio facilities. In addition to the servers, AMP VISUAL TV has acquired 24 LSM-VIA remote control units allowing operators to access the content from the XT-VIA servers and create instant replays and highlights of the highest production standard.

Read more here:
https://evs.com/company/news/amp-visual-tv-completes-major-upgrade-its-ob-truck-fleet-and-studio-facilities-evs-via-technology

/Broadcast Academy and EVS launch unique mentorship program for women in the sports broadcasting industry

Read more here:
https://evs.com/broadcast-academy-and-evs-launch-unique-mentorship-programme-women-sports-broadcasting-industry

"As a leader in live sports broadcast and media technology, EVS is committed to promoting gender equality and diversity in the industry and we're always proud to support the commitments of the Broadcast Academy in this field. This new mentorship program offers an opportunity for women to develop their skills and accelerate their career thanks to the support of the best TV production talents and technology in the world."

NICOLAS BOURDON / CHIEF MARKETING OFFICER AT EVS

/Photron deploys Neuron Compress to facilitate IP processing for leading Japanese broadcast network

Read more here:
https://evs.com/company/news/photron-deploys-neuron-compress-facilitate-ip-processing-leading-japanese-broadcast-network

/Having already won two awards in 2021, XtraMotion received recognition from our industry

(TV Technology NAB Best in Market 2021 Award and 2021 IABM MaM Awards)

Launched in May 2021, XtraMotion is a cloud based software application designed to enable the transformation of footage from any camera angle on a production into high-speed video using frame interpolation. As a result, productions can easily increase their super slow-motion coverage without having to deploy additional hardware on site.

Read more here:
https://evs.com/company/news/xtramotion-joins-exclusive-list-winners-years-2021-iabm-bam-awards

/FIFA grants EVS's Xeebra Virtual Offside Line and Video Assistant Referee certification

EVS's Xeebra multi-camera review system helps match officials make more confident decisions by allowing them to swiftly review a given action from multiple angles that are displayed in complete synchronization. With offside situations accounting for many VAR calls in soccer, the system uses machine learning technology to automatically calibrate the field of play and overlay a virtual offside line on the broadcast image in seconds.

Read more here:
https://evs.com/company/news/fifa-grants-evs-xeebra-vol-and-var-certifications

Customer successes

Groupe TVA selected MediaInfra Strada to replace its core SDI router and enable a smooth transition path to IP

Groupe TVA is a Canadian communications company, and one of the largest private French language television networks in the region. When the company's central SDI router was nearing its end of life, they needed to find a solution to safeguard their critical broadcast operations.

As the main input path for the distribution, processing, and conversion of all signals across Groupe TVA's 15 associated channels, the aging 512 × 512 SDI router called for a complete replacement. The task ahead was challenging, but it was also the opportunity for Groupe TVA to modernize their infrastructure to better address the changing requirements in live production. However, while the company understood the growing limitations of SDI, they weren't quite ready to face the complexities linked to a transition to full-IP. For minimum disruption to their operations, they looked for a solution that would help them bridge the gap between both worlds.

In partnership with system integrator Applied Electronics, Groupe TVA chose to install EVS' new MediaInfra Strada video routing solution. MediaInfra Strada is designed to function like an SDI router, but provides all the advantages in terms of agility and scalability since it is built on an IP core.

It combines the capabilities of EVS' Cerebrum (broadcast control & monitoring system) and EVS' Neuron (network attached processor) product lines, to provide advanced video router logics through customizable user interfaces, with flexible IP and SDI I/O for uncompressed real-time video and audio. It also includes Arista's Ethernet switches with 100Gb/s ports for guaranteed high-performance IP network operations.

One key decision factor was the solution's ease of use. Deployable in any infrastructure environment, MediaInfra Strada abstracts away the complexities of the underlying IP network, offering control and monitoring that is familiar to TVA's engineering and operational teams.

High scalability was another strong requirement. MediaInfra Strada ensures Groupe TVA can migrate other SDI routers within their facility over time towards a full IP network at their own pace, with the confidence in knowing their infrastructure is built on best in class, future-ready video routing technology.

AMP VISUAL TV completed major upgrade of its OB truck fleet and studio facilities with LiveCeption Signature solution

In the search for higher flexibility and advanced production capabilities, leading French broadcast service provider AMP VISUAL TV performed an upgrade of its infrastructure using EVS' LiveCeption Signature premium live production and replay solution.

Comprised of a dozen XT-VIA production servers as well as 24 LSM-VIA remote control units, the solution was deployed across AMP's fleet of 30+ OB trucks and in its 20+ connected studio facilities for the production of a wide variety of premium live sports and entertainment shows.

AMP VISUAL TV turned to EVS above all for the reliability and efficiency of its market-leading replay technology. Francois Valadoux, Executive Vice President and CTO at AMP explained: "EVS' XT-VIA servers are a reference in the marketplace for high-profile events and as a result, are required by many of our customers. The new LSM-VIA replay systems are also fast becoming the new standard for primetime sports productions, so it was essential for us to invest in these latest technologies".

Built on EVS' innovative VIA platform of modular services and workflow engines, the new solution provides AMP VISUAL TV with the highest level of flexibility and scalability to respond to any future requirement, including the possibility to roll out workflows for remote production when needed.

Moreover, the XT-VIA servers - which offer interchangeable SDI/IP connectivity and support for all the latest formats and codecs - can conveniently be used across AMP's entire fleet of OBs as well as its numerous studios, providing the same reliable EVS solution for all sports and entertainment productions. And since they are highly robust and easily deployable, AMP can easily move the servers around from one environment to another upon customer demand, without having to worry about damage or reconfiguration issues.

As for the new LSM-VIA systems, operators can use them to create replays and highlights in the most efficient way, benefitting from advanced functionalities and a rich feature set all presented in a familiar layout for instant usability.

Francois Valadoux concluded: "Our customers naturally expect us to provide them with the best equipment out there to handle their major TV broadcasts and knowing their productions are run with EVS' no-fail technology and best in class solutions gives us peace of mind."

NBC Sports utilized EVS' LiveCeption Signature Solution for its production of Olympic Winter Games

Sport media company NBC Sports selected EVS' LiveCeption Signature solution for its production of the XXIV Olympic Winter Games which took place from February 2 to February 20, 2022. NBCUniversal provided coverage of the event, featuring a Winter Olympics-record 2,800+ hours of coverage across NBC, Peacock, USA Network, CNBC, NBC Olympics.com and the NBC Sports app.

The LiveCeption Signature solution, which was deployed across the International Broadcast Centers in Beijing and Stamford, and other venues, is comprised of EVS' flagship XT-VIA servers and LSM-VIA replay and highlights systems. It provides the power, scale and versatility needed to deliver the high standards of performance of NBC Olympics' productions.

"Our continued partnership with EVS will heavily rely on the XT-VIA platform with even further integration for UHD 1080p and HDR production through the Winter Olympics, building on successes from Tokyo," said Darryl Jefferson, VP of Post Operations and Digital Workflow, NBC Sports & Olympics. "The dependable infrastructure of the provider allows us to seamlessly work in multiple formats and standards, all in real time."

"We are proud of NBC Sports' continued trust in EVS and our technology," said Quentin Grutman, EVS Chief Customer Officer. "LiveCeption Signature has been designed at its core to meet even the most demanding live production requirements, and we are confident this solution will enhance NBC Sports' visual narrative of the event."

Our customers naturally expect us to provide them with the best equipment out there to handle their major TV broadcasts and knowing their productions are run with EVS' no-fail technology and best in class solutions gives us peace of mind.

FRANCOIS VALADOUX

A new channel partner program

In the context of our PLAYForward strategy exercise, we decided to strengthen our relationship with channel partners to support our growth ambitions. 2021 saw the introduction of our new EVS Channel Partner Program to the market. As a result, several existing and new channel partners were onboarded and the partnerships developed have already generated results, with some deals that would not have been signed without the existence of the program.

The program has been designed with long-term loyalty in mind, targeting a triple-win for the customers of our channel partners, the development of our channel partners themselves and the growth of EVS in unchartered regional, market segment and solution territories.

Personalized

The program is personalized to suit the different profiles of channel partners: "Select", "Premier" and "Elite". Each level brings a series of benefits and requirements that accelerate the development of a sustainable relationship between EVS and every channel partner. The program also offers a comprehensive certification program for the partner's staff dedicated to the different EVS Products and Solutions that enables the partners to best serve our customers.

Thanks to this personalized approach, several EVS Cerebrum projects have been awarded to channel partners in North America and EMEA, enabling faster deployment and localization.

"It's about co-selling, co-creating, co-delivering, and co-supporting, addressing the challenges facing our customers throughout the world together.

Collaborative

Within the scope of the program, channel partners now have exclusive access to more and better documentation so as to increase their competencies to sell EVS products and solutions. The EVS Solution Architect team can assist our channel partners with the definition of specific solutions co-developed in line with a specific target segment or a specific project.

It's about co-selling, co-creating, co-delivering, and co-supporting, addressing the challenges facing our customers throughout the world together.

For instance, our long-time partner Draco video successfully deployed a LiveCeption Pure solution for its customer "United Studios of Israel" to enable the live production of the new Israeli Premier League season.

Another system integrator in North America was the first to install the first MediaInfra Strada scalable routing solution and to help a major customer to switch their core signal routing from SDI to full IP technologies.

Similarly, football federations in the CIS countries are now equipped with Xeebra Essential for VAR (Video Assisted Referee), allowing more and more referees in the world to experience the same accuracy and speed as those officiating in better-known football federations.

Empowering

The new channel partner program also covers partner training as well as product and services certification.

For example, the open Cerebrum control system is now mastered by many broadcast professionals and can be installed and configured by a network of EVS certified channel partners in the different regions of the world.

During 2021, we saw a major European system integrator deploying Cerebrum in various broadcast centers. Cerebrum is also empowering a major broadcast center in China thanks to the knowledge acquired by a highly skilled local system integrator.

Channel partners are now empowered by EVS from the consultancy stage all the way to the deployment and local support of the end users. EVS' reputation as market leader in live production enables every channel partner to be more successful in their respective markets.

Only when we join forces with partners can we deliver on our promise to support our customers and implement smart, future-proofed, optimized broadcast solutions that provide the most gripping live sports images, buzzing entertainment shows and breaking news content for billions of viewers every day.

EVS journey in a transforming broadcast industry

As of 2015, EVS set in motion an evolution to prepare for and cope with the various levels of transformation currently underway: changing audience behaviors, adoption of IP technologies and IT equipment and practices, more flexibility and higher productivity required during production, new video formats for input and output.

From a 2015 company...	Successful Axon integration	...to a 2025 group
Product market leader	**X00s Workflows** certified with **3rd-party tech patners** Portfolio branded in terms of **solutions**	Solution market leader
In premium market	Good traction ox XT-GO for **smaller** OBVans New **channel partner** program ready	In different market tiers
Selling in CAPEX only	Longer SLA **subscriptions** Launching SAAS **subscriptions as** XtraMotion	Selling in OPEX & CAPEX
SDI replay centric systems	**Developpment of Media infrastructure** portfolio More and more AI in the solutions	IP TCO optimized media solutions
On EVS HW	Pure **SW** solutions (PAM & servers) deployed XtraMotion in the cloud	As SW on COTS, Cloud & EVS HW
For on-prem live production	LSM-VIA further refined for **remote** production XtraMotion as a new form of hybrid workflow	For live anywhere operation
Mainly in sports	More & more transverse broadcast center modernization contracts	In sports, news & entertainment

Thanks to the PLAYForward strategy exercise undertaken in late 2019, the various developments were crystallized in seven dimensions. And today EVS tracks the different actions taken and the progress made through these seven dimensions.

For the last two decades, EVS has been a product leader for live production replay servers, introducing more and more products into the production workflows around the server. The objective is to become a leading solution vendor, broadening the scope of our offerings. In the last two years, the whole portfolio has been reshaped around LiveCeption, MediaCeption and Media Infrastructure solutions. In parallel, hundreds of workflows have been certified with various technology partners to provide added value for our customers based on pre-integrated solutions, de-risking and accelerating project deployments.

EVS is a premium brand, delivering superior products that focus on comprehensive workflows and unmatched reliability, responding in full to the requirements of high-end productions. On the other hand, we are seeing an increase in productions with less exacting requirements. We have therefore created new product ranges to meet the new needs of some of our customers and address the needs of new customers that were previously unable to afford an EVS solution. With LiveCeption Pure – based on XT-GO – or Xeebra Essential, EVS proposes solutions that offer the same level of reliability and quality of experience in terms of operation but with lower capability to scale. At the same time, a new Channel Partner program has been developed to transform our relationship with system integrators and resellers from a more opportunistic approach towards a sustainable win-win relationship that rewards mutual loyalty.

In the last five years, we have observed an increased appetite among our customers for new business models. Today, the vast majority of our product portfolio can be sold as both perpetual licenses and yearly subscriptions. In 2021, EVS launched the XtraMotion cloud based service based on an "on-demand" business model paid for using "EVS Credits" to focus on speed of activation and seamless service usage. MediaHub – hitherto largely used for major events to distribute content from right owners to the many right holders - is also now offered through a SAAS business model with a MediaHub-365 version. Thanks to the redefinition and improvement of our Service Level Agreement offering in 2019, we are also seeing a greater take-up, especially in terms of the duration of the subscriptions.

With the acquisition of Axon in May 2020, EVS significantly extended the solution portfolio now covering Media Infrastructure. With "replay centric and ingest/playout workflows", EVS was limited in terms of relevance for some customers. All customers have Media Infrastructure needs. This acquisition has therefore increased the target market, not only as regards the scope of the solution but also as regards the potential customer base. This transformation is also leveraging the transition to IP, especially with the recent launch of the EVS MediaInfra Strada routing solution, which is gaining traction worldwide, including in North America where Axon was previously not present.

Although over 90% of the EVS R&D team now works on SW, EVS is still sometimes considered to be a HW company. Today, after a major renovation of the underlying platform and technologies, most of our product portfolio is available as SW that can be deployed on a third-party data center (Commercial Off-The-Shelf servers) or a cloud infrastructure. Nevertheless, most customers still prefer to deploy on EVS dedicated HW that is optimized for broadcast workflows and reliability.

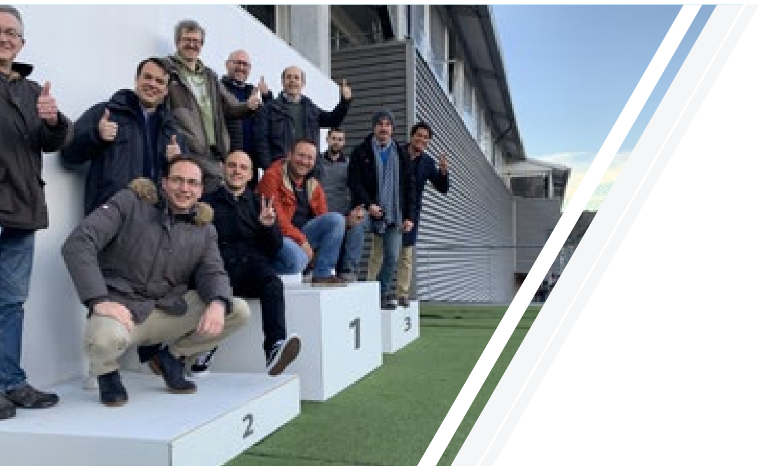
In 2015, nearly all premium productions took place "on-premises", at the venues. Today, accelerated by Covid, EVS solutions cope with "live anywhere production" thanks to LSM-VIA. With IABM BAM awarded XtraMotion, EVS also demonstrates the power of hybrid workflows, with part of the workflow undertaken in the public cloud and part "on-premises", while the whole can be fully controlled remotely.

EVS is well known in the sports sector, although our products have also been used for news and entertainment workflows from the very beginning. With the willingness of our customers to modernize their platforms by adopting a centralized approach for their various kinds of production, EVS wants to broaden the scope of its range to leverage the new production methods and offer new flexible production tools for diverse types of programs.

This overall transformation will be implemented thanks to organic growth, by developing new tools and applications and by acquiring companies that offer complementary products, as was successfully done with the Axon acquisition.

EVS as a value company

EVS is a strong brand known across the world for its technology leadership and its reliability in providing live video technology for broadcast and new media productions. Our passion and purpose are to help our customers craft compelling stories that trigger the highest return on emotions.



As a value company, we consider shareholders to be key stakeholders and strive for a performance that constantly delivers a return on investment. With a transparent and robust dividend policy, we want to build lasting value for our shareholders. Even in 2020, despite very challenging market conditions, we remained profitable and managed to deliver a dividend for our shareholders, while many other companies were ruling out any such prospects.

Since the PLAYForward strategy was launched in 2020, EVS has made steady and measurable progress by rationalizing the portfolio and expanding the company's footprint in the market through solutions and the acquisition of Axon. As a result, we have significantly enhanced our capacity to deliver strong operational performance.

As part of the strategic roadmap, EVS is now launching the "switch to growth" mode in 2022.

Leveraging the opportunities linked to the ongoing modernization of broadcast centers and the traction of our solutions in both EVS' traditional segment and the new area of Media Infrastructure addressed thanks to acquisition of Axon in 2020, we intend to increase our revenues and profits over the coming years.

In addition to our organic growth ambitions, we also aim to continue to implement our M&A strategy so as to broaden the scope of our offerings. The first objective here is to achieve even greater market relevance and the second, obviously, is to make a net contribution to our bottom line.

Our dividend policy is thus balanced between steady growth of the immediate return-on-investment for our shareholders and investment in mid-term dividend growth.

The vast majority of our products and solutions are available with various business models, including subscription-based options. Even though COVID-19 has increased the appetite of some customers for such business models, we don't expect any significant impact on our revenues and profitability in the next year as recognized revenues are spread over several years. On the contrary, we consider these new models more as an opportunity for generating additional revenues.

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

Why invest in EVS?

- **Strong leadership position in selected markets**
- **Premium reputation based on the reliability of its products and services**
- **Sound financial results with a strong balance sheet (net cash position)**
- **Growing installed base with strong customer loyalty**
- **Gradual adoption of new business models (software and services)**
- **Strong corporate sustainability ambition, fully embedded in our corporate strategy roadmap**
- **Consistent dividend policy**

Ed Force 1

Ed Force 1 (EDF1) is the name given to the EVS corporate event team which was created in 2018.

The group is made up of EVS team members located at EVS Headquarters. Local EDF1 representatives in each EVS office around the world also organize internal events in their respective regions.

Even though we work intensively to ensure the constant development of the company, the human factor remains a top priority. Internal events help EVS and its team members to reconnect and celebrate major achievements.

One of the many ways to improve the sense of belonging to the company and the well-being of team members is by holding internal celebration events. Such events are not only important for creating internal employer branding but also for improving the effectiveness of the team and the company as a whole.

"

Ed Force 1 events are now part of EVS's DNA.

EVS sees many advantages to this approach. Events like these enable our company to improve the satisfaction level of our team members, which increases efficiency. They are also a great way to help team members get to know each other.

EVS cares about its team members and tries to offer them the greatest place to work ever.

Despite the Covid measures around the world in 2021, Ed Force 1 was able to organize various internal celebration events including:

/ The broadcasting of a football match at EVS HQ
/ A back-to-school breakfast in each office worldwide to celebrate our children's first day back at school in September
/ The first edition of EVS Ladies Night at EVS Headquarters
/ EVS team dinners all over the world
/ A Saint-Nicholas drive-in so that our children could pick up their presents
/ A traditional Christmas Market.

And there are many more to come in 2022.

Our vision of sustainability

About this Report

Reporting Period

Report published in 2022.

This report covers the year 2021 and includes all entities worldwide.

This sustainability report describes why and how we address and implement sustainability at EVS. The full report can be found on our website www.evs.com.

Together with the Leadership Team and the members of the board, we are focused on making sure that EVS remains a strong, profitable and sustainable company for the years ahead.

Although sustainability and its components, such as taking care of our environment and the ecosystem around us, have always been part of EVS' culture and DNA in an intangible way, in 2021 we started to think about sustainability as a real mission and an important part of our strategy. This sustainability report clearly sets out our vision.

Participating in the building of a new responsible world also means caring about the people who are part of this world. In this regard, we continue to increase our efforts and initiatives dedicated to helping the communities in which we live and breathe. Sustainability is not what we should do. Sustainability is what we need to be.

SERGE VAN HERCK / CEO

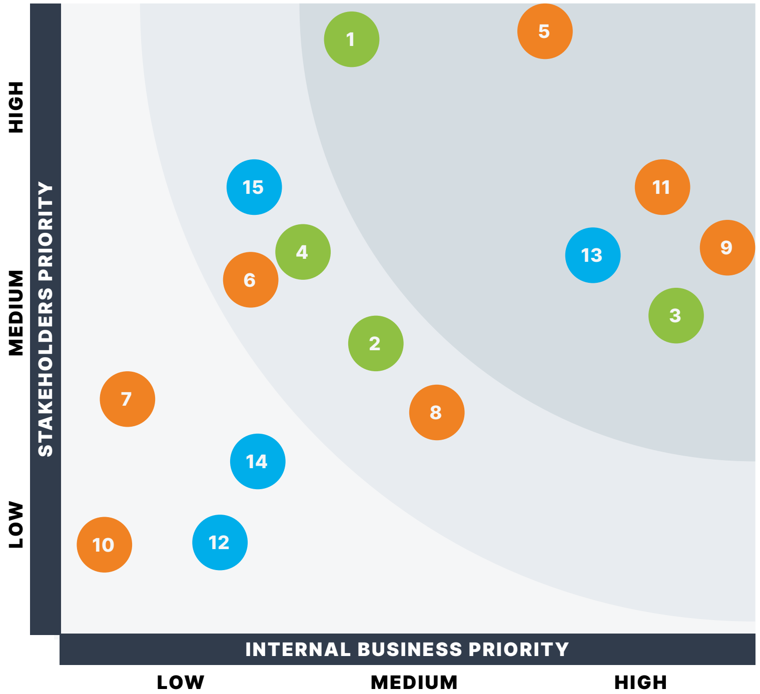
Sustainability is not a choice anymore. It's not a buzz word anymore either. It's the reality all company should engage if we want to be part of the future. Becoming the number one in our live video industry will go through our responsibility towards the world.

DOUNIA CZORNIAK / ORGANIZATIONAL CAPABILITY MANAGER

Our sustainability strategy

In 2021, we created an EVS Sustainability Team. The role of this team is to monitor the progress and implementation of the sustainability strategy and report on this.

The work carried out by the team led in particular to the definition of the EVS materiality matrix.



Environment

1. Energy requirements of EVS products & solutions
2. Recycled input material's used
3. Sustainable sourcing of materials
4. Climate changes and major incidents

Social

5. Well-being of Team Members
6. Diversity & Inclusion (Workforce)
7. Local social contribution
8. Talent management
9. Attraction and retention of talents
10. Anti-discrimination
11. Customer Experience

Governance

12. Suppliers ESG practices
13. Cyber Security
14. Local suppliers
15. Sustainable Supply Chain

High importance for external stakeholders and for EVS business

Medium importance for external stakeholders and for EVS business

Low importance for external stakeholders and for EVS business

Integrating ESG standards is not only the right thing to do, this also brings EVS business and activities to the next level.

NICOLAS BAYERS / HEAD OF LEGAL

"The best energy is the one that is not consumed.

Environmental matters

Sustainable sourcing of materials

Environmentally and socially responsible sourcing of materials used by EVS, including efforts to find local suppliers to limit environmental impact.

In 2021, we continued to reuse more of our packaging foam and we recycled our electronic waste. Not only is this a best practice regarding the use of sustainable materials, but it also leverages a reduction in waste streams.

EVS does not yet proactively analyze whether suppliers or customers may have a potentially significant negative environmental impact. This is a supply chain network risk that we have identified and will address in the future. We intend to cover all the stakeholders related to our products and services in every location. We also plan to monitor the materials we use by weight or volume every year.

Energy requirements of EVS solutions

Type of energy and the quantity of energy required to use EVS products and solutions.

EVS is developing products and solutions to help the broadcast industry to reduce its carbon footprint in various ways:

- By reducing the need for TV production staff to travel thanks to "remote production" support (for example, MediaHub, LSM-VIA, MediaCeption)
- By optimizing usage of existing hardware [HW] (usage of adapted computing resources) through cloud native design, efficient virtualization techniques, the adoption of auto-scaling architectures and the design of long-lasting robust HW (for example, XT-VIA, Neuron, MediaHub, MediaCeption)
- By improving energy efficiency both through auto-scaling in cloud/datacenters and within EVS-designed HW (for example, Neuron, XT-VIA, MediaCeption)

EVS R&D works constantly to contribute to these three objectives and we will continue to further develop appropriate products and solutions.

Energy consumption within EVS

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

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

The project designers also considered all the sustainability aspects of a new construction, from both the technical and the environmental point of view.

Some targeted actions helped us to reduce our electricity consumption by 30 % between 2016 (+/- 7 Gwh) and 2019 (less than 5 Gwh). Since 2019, our Electrical consumption is stable. We do not use any fossil fuels.

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

Thanks to our new Solar Panel installation in our HQ we reached our ambition to self-produce 10% of our energy ourselves.

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.).

Our goal for 2022: to determine our total carbon footprint!

Climate change and EVS carbon footprint

We have yet to determine our carbon footprint. We plan to launch this assessment in 2002 with a view to establishing clear KPIs to define our goals and ambitions moving forward.

We have a clear goal to decrease the CO_2 emissions of company cars and have already taken measures. In 2021, our fleet did not include any electric cars, despite the opportunity given to all team members in Belgium. However, eight cars have already been ordered for 2022. These represent 2% of our fleet. We aim for at least 5% of the fleet to be electric by the end of 2022 and 100% in 2026.

Waste management

EVS pays attention to waste management. This implies strict sorting of our waste. The quantity of waste produced per year has been stable since 2019. Electronics account for 26% of our waste.

Packaging currently plays a significant role in the overall emissions of greenhouse gases and waste production. We aim to reduce EVS' impact by substituting paper equivalents for Styrofoam chips and plastic tape, replacing some of our cardboard boxes with FSC-labelled alternatives, and switching from plastic boxes to cardboard packing.

Ambition for 2027: We would like to purchase our green energy locally, drawing on that produced in the fields behind our headquarters.

EVS team members matter

Attract, keep and develop talents

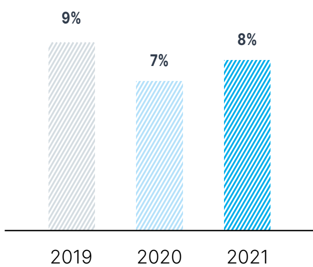
This is the part of talent management that aims to attract and keep the best individuals as team members. Policies implemented to attract, retain, boost team members in order to have the right person in the right place in the company.

Over the years, EVS has developed a range of strategies to attract and retain talents. This strategy aims to reinforces a sense of belonging among our team members.

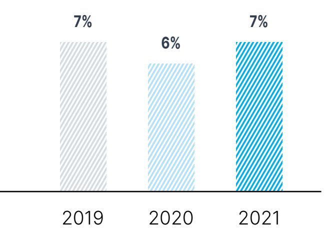
Attrition rate

Over the past few years, the voluntary turnover rate has remained more or less stable despite the relatively young average age of the company's team members (41 years).

At EVS, we have a strong on-boarding process. In addition, we monitor the level of engagement of our team members, particularly newcomers, closely and regularly (by means of specific and dedicated surveys). This year, we welcomed 52 new team members in Belgium and 78 worldwide.



Voluntary turnover



Voluntary turnover (employed in the last three years)

Training & development

We monitor performance and train our team members, upgrading their capabilities, skills and competencies in line with the strategic needs of the organization. By doing so, we ensure the personal development and fulfilment of each individual. Our talent management programs 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.

Working environment

EVS encourages a more active lifestyle and healthier routines in the workplace. We provide a stimulating work environment for our talents so that they can collaborate effectively to achieve our common goals in a sustainable and ethical manner. We have also continued homeworking, which offers our team members a better work-life balance and at the same time reduces the carbon footprint linked to travel.

"At EVS we don't talk about Employees or People. We are all EVS Team Members.

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

- A caring culture for all team members.
- A learning organization and continuous development.
- A broad range of activities. We organize company and departmental events and we also enjoy walking and running together in the neighborhood during lunch time, for example.

Remuneration and benefits

Even though we believe that team members' engagement does not come from financial rewards alone, but also from a purpose-driven job, we know that remuneration and benefits can be an important criterion to attract and retain talents.

We therefore offer:

- A competitive global remuneration package.
- Other benefits. EVS offers its team members various benefits in addition to their global remuneration.

Hidden gems are to be found everywhere. With this in mind, in 2021, we collaborated with Passwerk (https://www.passwerk.be). Passwerk is a company that puts forward consultants with an autism spectrum profile to test software. We will continue to work with them in 2022.

Diversity & Inclusion

We are committed to providing a positive work environment where our team members are treated fairly, with respect and without any discrimination.

Diversity and inclusion are key to discovering talents, having the right team member in the right place in the organization and ultimately achieving excellence. Our team members are welcomed regardless of their cultural background, gender, mother tongue, age, etc. We have zero tolerance for racism and discrimination in general. Respect is one of our essential values. Moreover, all too often, our industry is seen as a masculine industry. This is now changing. We promote diversity in our recruitment process which is open to everyone. In addition, 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 at EVS who has the competence, talents and willingness to grow can progress.

Master Your Energy

Being able to manage your energy is becoming increasingly important. This is why we launched MASTER YOUR ENERGY @ EVS, a new wellbeing program full of inspiration, activation exercises, tools and reflection moments with external coaches and experts from "Energy Lab" and "Better Minds at Work". In line with our CARING Employer strategy, this initiative is designed to help our team members work on their personal energy in order to build and sustain a healthy high-performance culture for them and for EVS.

Put briefly, 'Master Your Energy' is a journey lasting about five or six months that focuses on physical, mental, and emotional energy.

In a first wave, 50 team members worldwide will be able to join the journey.

Social matters

Local social contribution

The EVS Leadership Team, with the backing of the Board of Directors, has put in place a sponsorship program in which each EVS team member has the possibility of supporting a local program, school or sports club with up to EUR 100. The purpose of this program is to provide financial assistance for causes that matter the most to our team members and help the local community. After the flash floods in July 2021, the Leadership Team decided to leverage this program to support local projects and organizations to help victims affected by this natural disaster. EVS team members could request up to EUR 200 (rather than EUR 100) to boost these initiatives.

As a result, in 2021, out of the 214 requests received, 93 concerned associations that help victims of natural disasters. A total of EUR 18,600 was transferred to organizations supporting relief programs in four countries. In total, EVS provided up to EUR 30,800 to assist local projects across the globe (mostly in Belgium but also in the Netherlands, in France, Germany, Spain, Italy and the UK).

In addition, the EVS IT Team has offered 85 computers to schools which were impacted during the flooding. We have also offered smartphones to the Red Cross and received a certificate of social impact.

Time is one of the best gifts that can be offered. This is why EVS supports Coderdojo[1], a non-profit association that assists volunteers who teach programming skills to children aged between 7 and 18. We encourage our team members to give some of their time and provide funds because we know how important it is to invest in the talents of tomorrow. In 2021, we donated EUR 20,000 to this organization. We hope one of these children may become a future team member!

1. https://www.coderdojobelgium.be

Governance matters

Cybersecurity

As a leading provider and architect of IP infrastructure solutions for the broadcast industry, EVS takes cybersecurity very seriously. Serving a growing customer base of high-profile broadcasters and production companies that deliver news and major sporting events worldwide, we are committed to meticulously safeguarding our clients from malicious parties and the disruption that their attacks can unleash.

Board of Directors (BoD)[1]

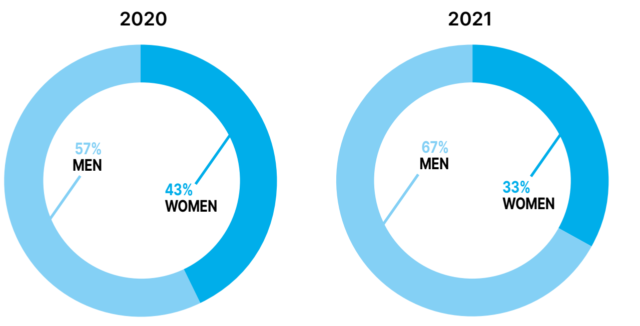
The members of the Board of Directors are appointed for a term ranging from one to four years. The Board meets six to eight times a year to discuss business evolution, company strategy, budgets, strategic decisions and monitoring subsidiaries, as well as to review the company performance. They also examine acquisition and partnership projects, draft press releases, prepare General Meetings, and discuss the renewal of Directors' mandates and the appointment of new board members.

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.

In 2021, the number of men in EVS board remained stable (4) while the mandate of one woman came to an end, taking the previous ratio of 43% of women to 33%.

The following people participate to the Board of Directors: Johan Deschuffeleer (Chairman), Michel Counson, Martin De Prycker, Chantal De Vrieze, Philippe Mercelis and Anne Cambier. The Board of Directors respects the gender balance by having two women out of a total of six board members.

BOARD MEMBERS



1 https://evs.com/company/board-directors

Leadership Team[1]

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

Respect for human rights

EVS strives to promote fair labor practices, decent working conditions and respect for human rights. This includes but is not limited to prohibiting child, forced or bonded labor, ensuring fair wages and overtime pay, respecting minimum wages, providing benefits and guaranteeing freedom of association.

In particular, EVS ensures that there is no modern slavery or human trafficking in its business and its supply chain, notably in order to fulfil the requirements of the UK Modern Slavery Act[2].

Our general terms and conditions of purchase include specific undertakings and warranties from our suppliers that they comply with applicable laws, are not involved in modern slavery and comply with our external code of conducts. Suppliers are also asked to take part in regular surveys in which they have to reaffirm these statements as regards modern slavery, in particular.

FROM LEFT TO RIGHT:
VEERLE DE WIT / CHIEF FINANCIAL OFFICER,
XAVIER ORRI / EVP OF OPERATIONS AND PROJECTS,
ALEXANDER REDFERN / CHIEF TECHNOLOGY OFFICER,
SERGE VAN HERCK / CEO,
NICOLAS BOURDON / CHIEF MARKETING OFFICER,
PIERRE MATELART / CHIEF PEOPLE OFFICER,
QUENTIN GRUTMAN / CHIEF CUSTOMER OFFICER.

1. https://evs.com/company/leadership-team
2 https://www.legislation.gov.uk/ukpga/2015/30/contents/enacted

EVS Code of Conduct and data protection of privacy

With more than 570 team members working in over 20 offices across the world, EVS is now a leading provider of live video technology, with a global footprint. Such success depends on the conduct of our EVS team members. We therefore expect that they will always behave with integrity. At EVS, this means doing the right thing in the right way. We firmly believe that it is only by keeping our integrity intact that EVS can remain a successful company and stay on the right track for the future.

To this end, in 2020 we updated our EVS Code of Conduct to reflect our company's integrity values and offer guidance to help our team members to make the correct decision in every situation, even when the right thing to do is not obvious.

Anti-corruption and bribery

At EVS, we do not tolerate practices such as bribery and corruption.

Our EVS Code of Conduct provides guidance for our team members to do the right thing the right way in these matters, as the distinction between corruption and gifts or other business courtesies is sometimes blurred.

In particular, in 2021 our team members followed an e-training course highlighting our anti-corruption and anti-bribery policy as per our EVS Code of Conduct, specifically when accepting or offering gifts and entertainment.

No incidents relating to corruption were reported amongst EVS team members in 2021.

Whistleblower policy

In order to constantly strengthen our ethical commitment and in accordance in particular with Directive (EU) 2019/1937 of 23 October 2019 on the protection of persons who report breaches of Union law, EVS has updated its Whistleblowing Policy which is now available on our website[1].

The Whistleblowing Policy clearly highlights who can issue a report, when a report should be issued, the process as well as the protection and confidentiality from which the whistleblower can benefit.

1. https://evs.com/whistleblowing-policy-speaking-procedure

Shareholders' information

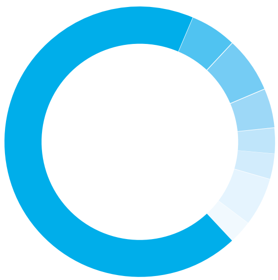
EVS shares

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").

EVS SHAREHOLDERS (IN %)



The maximum value reached by the stock price in 2021 was EUR 22.80, on November 22, and the minimum value of EUR 15.00 was recorded on January 28. As at December 31, 2020, EVS had a market capitalization of EUR 296.6 million with a share price of EUR 20.70. The value of EVS shares rose by 22.2% in 2021.

Dividend

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

In 2018, the Board of Directors launched a first multi-year dividend policy so as to ensure that EVS paid stable dividends during a three-year period from 2018 to 2021. This decision was taken to give investors more clarity when looking at their investment in EVS.

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

For the year 2021, EVS proposes a base gross dividend for the year 2021 at EUR 1.00 per share**

Next to that, EVS would like to honor its past dividend intentions (an intent to distribute EUR 1.00 per share per annum for the period 2018-2021). Therefore, after difficult market conditions in 2020, linked to the pandemic, EVS proposes an additional exceptional gross dividend:

- A first additional exceptional gross dividend of EUR 0.50 per share in May 2022**
- A second additional exceptional gross dividend of EUR 0.50 per share in May 2023*, **

For the next 3 years, EVS proposes to renew the dividend policy. A proposal will be presented to the Ordinary General Meeting of shareholders. Our ambition is to deliver a total gross dividend of EUR 1.10 for the period 2022-2024*, **

IN € PER FISCAL PER SHARE	FY2021	FY2022	FY2023	FY2024
Base dividend	1.00	1.10	1.10	1.10
Exceptional additional dividend	0.50	0.50	0.00	0.00
Total dividend	1.50	1.60	1.10	1.10

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 2021).

As at December 31, 2021, the shareholding of EVS Broadcast Equipment was as shown in the graphic (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 issued by a custodian or sub-custodian must therefore be accompanied by another power of attorney duly signed by the actual ultimate beneficial owner gran-

* subject to market conditions
** subject to the approval of the Ordinary General Meeting of shareholders

ting authorization to exercise their rights. In the interest of good governance, this provision is strictly applied and at each meeting results in a few non-compliant discharges of proxies, including those from stakeholders.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Number of shares issued (average)	14,327,024	14,327,024	14,327,024	13,636,540	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000
Number of shares issued (31/12)	14,327,024	14,327,024	14,327,024	14,327,024	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000	13,625,000
Average number of shares, excl. own shares	13,400,624	13,668,612	14,016,921	13,531,196	13,514,301	13,501,815	13,490,812	13,513,053	13,480,715	13,449,081
Average free float	91.7%	86.4%	87.2%	93.9%	93.9%	93.5%	93.5%	93.5%	93.5%	93.5%
Annual volume(1)	3,727,707	6,877,590	8,364,031	11,730,794	8,017,152	10,191,122	11,809,385	17,242,611	14,884,293	8,758,751
Average daily volume (number of shares)(1)	15,412	26,761	32,800	45,645	31,195	39,654	46,130	66,574	58,600	34,348
Average daily volume (EUR)(1)	285,060	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
Standard velocity(2)	26.0%	48.0%	58.4%	86.0%	58.8%	74.8%	86.7%	126.6%	109.2%	64.3%
Adjusted velocity - Average free float(3)	28.4%	55.6%	66.9%	91.6%	62.7%	80.0%	92.7%	135.3%	116.8%	68.8%
Average annual share price (EUR)	18.50	15.61	21.54	23.07	33.35	30.97	28.76	36.95	49.30	40.27
Closing share price (EUR)	20.70	16.70	21.75	23.20	29.71	33.20	29.00	29.89	46.99	44.40
Highest share price (EUR)	22.80	22.15	23.70	33.15	38.75	36.50	36.40	47.97	57.19	46.00
Lowest share price (EUR)	15.00	10.34	19.58	15.44	26.75	24.89	21.06	23.52	39.88	34.97
Market capitalization (average, EUR millions)	265.0	223.6	308.6	314.6	454.4	422.0	391.9	503.4	671.7	548.7
Market capitalization (Dec. 31, EUR millions)	296.6	239.3	311.6	332.4	404.8	452.4	395.1	407.3	640.2	605.0
Gross dividend (EUR)	1.50	0.50	0.50	1.00	1.00	1.30	1.00	2.00	2.16	2.64
Net dividend (EUR)	1.05	0.35	0.35	0.70	0.70	0.93	0.74	1.50	1.62	1.98
Dividend yield (gross dividend on average share price)	8.1%	3.2%	2.3%	4.3%	3.0%	4.2%	3.5%	5.4%	4.4%	6.6%
Share buyback/share	0.00	0.58	0.37	0.11	0.00	0.00	0.00	0.36	0.00	0.00
Basic EPS (EUR)	2.60	0.53	1.40	2.60	1.77	2.43	1.76	2.63	2.52	3.10
Payout ratio (gross dividend on basic EPS)	57.7%	94.3%	35.7%	38.5%	56.5%	53.5%	56.8%	76.0%	85.7%	85.2%
Price/earnings ratio (4)	7.1	29.4	15.4	8.9	18.8	12.7	16.3	14.0	19.6	13.0

(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)	2021	2020	2019
Revenue	137.6	88.1	103.4
Operating profit - EBIT(1)	37.1	5.7	23.0
Net profit (group share)	34.9	7.2	19.6
Investments	1.6	6.9	1.4
Cash generated from operations	39.8	16.4	22.6
Total equity before profit allocation (31/12)	162.3	140.5	141.8
Net cash position (31/12)(2)	54.9	34.7	45.5
Net working capital (31/12)(3)	54.4	47.5	48.5
Number of team members in FTE (31/12)	551	550.0	464
Turnover / Employee Ratio	249,688	160,182	222,845

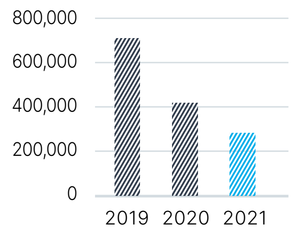
DATA PER SHARE (EUR)	2021	2020	2019
Average number of shares excl. treasury shares	13,400,624	13,668,612	14,016,921
Basic net profit (group share)(4)	2.6	0.53	1.4
Gross dividend (interim + final dividend)	1.50	0.50	0.50
Equity per share	10.61	9.81	10.18

RATIOS (%)	2021	2020	2019
Gross margin (%)	69.6%	66.50%	71.6%
EBIT margin (%)(1)	27.0%	6.4%	22.3%
Net margin(5)	25.4%	8.2%	19.0%
Payout ratio (gross dividend/net profit)	57.7%	94.3%	35.7%
Dividend yield (gross dividend/average share price)	8.1%	3.2%	2.3%
Return on equity – ROE(6)	24.8%	5.1%	13.9%
Return on capital employed – ROCE(7)	38.0%	8.1%	27.3%

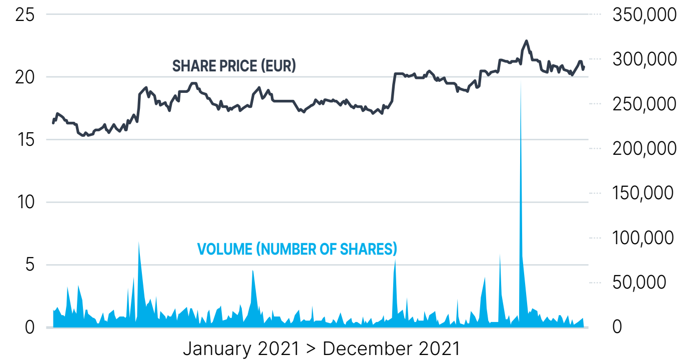
(1) EBIT means "Earnings Before Interests and Taxes" and corresponds to the operating result before interests and taxes.
(2) The EBIT margin is the EBIT divided by the revenue.
(3) The net working capital = stocks + trade receivables - trade payables.
(4) Calculated based on the number of shares excluding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

285,060 EUR

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

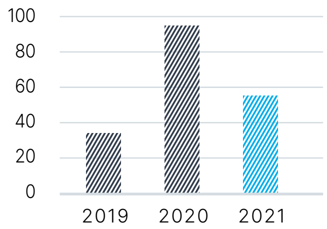


SHARE PRICE AND VOLUME



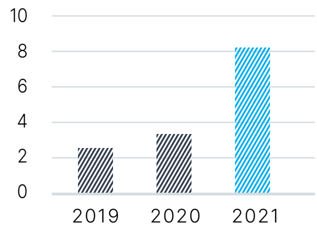
57.7%

PAYOUT RATIO
(% OF BASIC EPS)



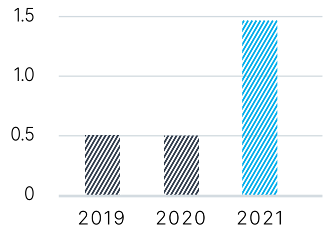
8.1%

DIVIDEND YIELD (%)



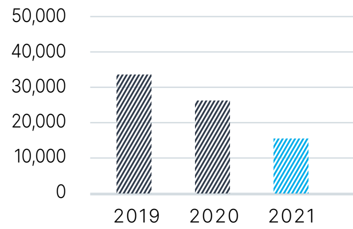
1.5 EUR

GROSS DIVIDEND PER SHARE
AFTER SPLIT (EUR)



15,412

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



Shareholders' calendar

May 17, 2022: Ordinary General Meeting of shareholders

May 19, 2022: Q1 2022 results

August 25, 2022: H1 2022 results

November 17, 2022: Q3 2022 results

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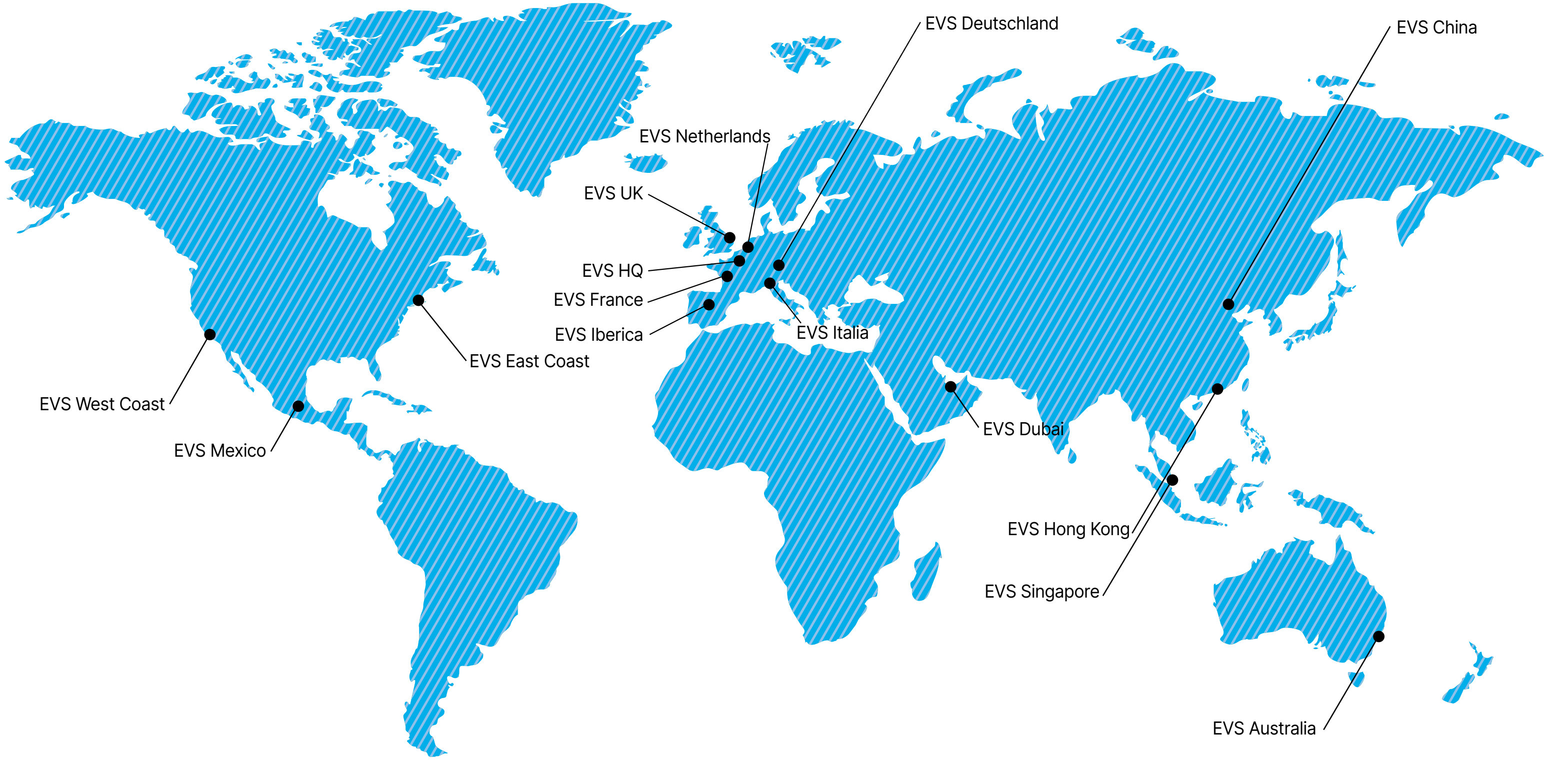

The Annual Report (management report, accounts and notes) is available on the EVS website (www.evs.com).

A paper copy can be obtained on request.

Version française disponible sur demande.

Contact

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Annual financial report 2021

→ evs.com

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MANAGEMENT REPORT

FINANCIAL REPORT

1. CONSOLIDATED KEY FIGURES – IFRS (EUR MILLIONS)

	2021	2020	2019	2021/2020
Revenue	137.6	88.1	103.4	+56.2%
Gross margin %	69.6%	66.5%	71.6%	+3.1Pts
Operating profit - EBIT	37.1	5.7	23.0	+556.6%
Operating margin (EBIT) %	**27.0%**	**6.4%**	**22.3%**	+20.6Pts
Income taxes	-2.8	2.8	-3.3	-198.7%
Net profit, group share	34.9	7.2	19.6	+385.7%
Net profit (%)	25.4%	8.2%	19.0%	+17.2Pts

2. HIGHLIGHTS

2021 was a record year for EVS in a market that is gradually recovering from the impact of the pandemic and clients embracing new solutions rapidly, accelerated by the COVID19 experiences.

The order intake has been strong throughout the year, and we closed 2021 with a record high. These order intake results allowed us not only to boost our revenue for 2021, but also position us well for the year 2022. Our orderbook at year-start has reached new heights.

2021 has been a very successful year for our LSP (Live Service Providers) market pillar despite the continuation of pandemic conditions. Not only did most of events happen and were successfully broadcasted - supported by the creativity of our LSP customers – but the new conditions projected our customers in the future with the adoption of new practices. Some of our customers did recover their initial plans paused in 2020, resulting in a catch-up of the revenues that would normally have been recognized in 2020. Other customers realized the benefits of the new EVS solutions to face the challenges of the new world and did sign long term partnership with EVS through confirmed upgrade of their whole fleet of replay servers, resulting in multi-year orders.

In the LAB (Live Audience Business) market pillar, the impacts of Covid have been lower with no real catchup effect. The first modernization contracts have been delivered and the systems are now operational. The orders for new modernization projects continue to flow, and they support growth of this market pillar (+28% vs 2020, +38% vs 2019). EVS did also sign a key contract with RTBF for the co-design of a new solution – based on Cerebrum – leveraging new technologies as IP, AI and SW to re-invent production methods, bringing more flexibility to improve the productivity of live content creation.

2021 and 2022 is a special sequence for major events and the BER (Big Events Rental) market pillar. 2021 major summer events have been a success with the first adoption of the new generation of products as LSM-VIA or MediaHub deployed in a hybrid mode with some parts in the cloud and some other parts deployed on premise of the host broadcaster. Host broadcasters of major events of 2022 did also confirm their trust in EVS, resulting in a significant BER component in the booked revenues for 2022.

From a regional perspective all our geographies performed well: all regions demonstrated growth, not only compared to FY20, but also in comparison to FY19.

The acquisition of Axon is bearing its fruits. With the design of new Strada evolutive video routing solution and the early successes in the NALA region, EVS strengthens its position in the MediaInfra Solution market and proves the success of the acquisition of Axon with a successful lever on both strong products and EVS customer intimacy.

EVS did also continue the deployment of hybrid workflows. Thanks to the launch of XtraMotion sold through “EVS Credits”, our customers can create emotion with super slow-motion replays and highlights produced in the cloud in a much more affordable way than with all dedicated cameras as it has been proven through a partnership with Fox Sports US. The “Big Events proven” MediaHub solution is also becoming available in SAAS to expose the host broadcaster’s content worldwide and support higher monetization of live and near-live content. “On-demand” and SAAS business model start to gain more traction in the industry.

Going back to the financial performance, besides a record-high order intake, EVS noted a very strong revenue performance in 2021. The gross margin performance is very solid at 69.6% with limited impact in 2021 of the price increases linked to the shortage in the components market. The growing mode and future perspectives have led to an acceleration in expenses, primarily in the second semester. Consequently, operating expenses increased low double digit compared to 2020. This comparison is also still impacted by the Axon integration in May 2020. Besides additional investments in team members to continue and fuel our growth, we have also registered expenses to support our business transformation strategy. EVS notes an EBIT performance at EUR 37.1 million, generating a 27.0% operating margin.

For 2022, all internal indicators are green to deliver a strong year, with an order book for the year growing at 16%. There are however risks at global scale that we need to continue and manage proactively. First, the shortage on the components market might lead to an erosion of our gross margin. Next to margin erosion, there is a risk of additional delivery delays, as the supply market is very erratic and unstable. Up till now, EVS has successfully managed these risks by ensuring proactiveness in the supply chain, production, and procurement teams. Another macro-economic risk is linked to the rising inflation.

For 2022, EVS will benefit from a second consecutive year of Big Event Rentals. We expect this market pillar to reach approximately EUR 9,0 million of revenue in 2022.

In terms of strategy, we will launch the next chapter in our PLAYForward project: we will launch the “Switch to Growth Mode” where we will continue to invest in future growth, and we expect to leverage our acquisition strategy.

Operating expenses are expected to grow mid to high single digits in 2022, fuel by inflation, but also by further expansion of our team member base and expenses linked to our business transformation strategy.

Based on the company indicators, EVS issues guidance on revenue for 2022 in the range of EUR 125 million and EUR 140 million. EVS does see an increasing impact of the worldwide shortages in the supply chain of electronic components, which may impact our revenue generation.

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 137.6 million in FY21, an increase by 56.2% compared to 2020 (+39.6% at constant currency and excluding the big event rentals).

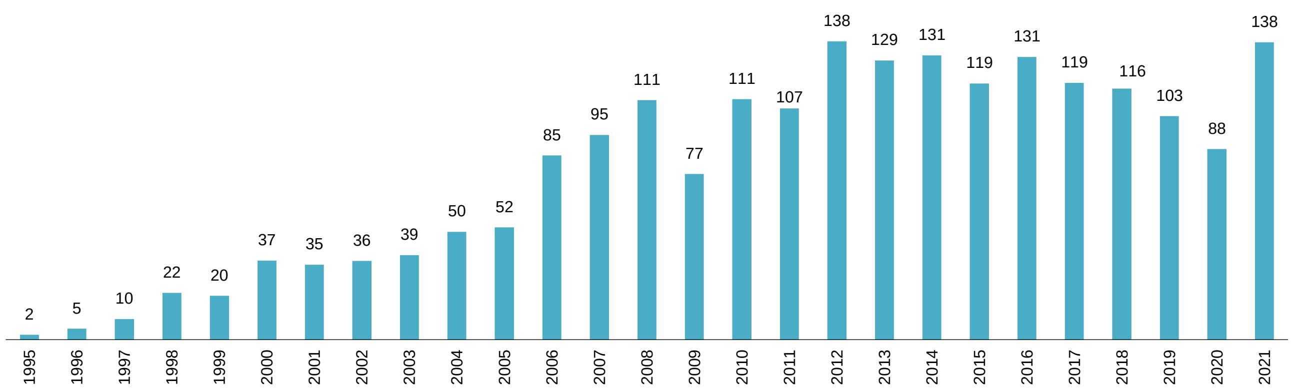
All our market pillars performed well in 2021 with each market pillar growing, not only in comparison to 2020 but also in comparison to 2019. Revenue of solutions in LSP (Live Service Providers) represented 37.7% of the total group revenue, with a growth over 2020 of 71.7%. LAB (Live Audience Business) revenue represented 52.5% of total revenue in 2H21, growing 27.5%. Big Event Rentals represented 9.8% of total revenue, benefiting from postponed 2020 events following the pandemic.

From a regional perspective, each region contributed to the strong results and demonstrated growth in comparison to 2020, but also in comparison to 2019. In 2021, in Europe, Middle East and Africa (“EMEA”), sales (excl. big event rentals) amounted to EUR 63.5 million (+54.9% compared to 2020).

Sales (excl. big event rentals) in Americas (“NALA”) were EUR 37.5 million (+30.5% at constant currency).

In Asia & Pacific (“APAC”), sales (excl. big event rentals) were EUR 23.1 million (+19.6% 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
FY21 revenue	**23,077**	**63,468**	**37,499**	**13,534**	**137,578**
Evolution versus FY20 (%)	**+19.6%**	**+54.9%**	**+41.4%**	**+967.4%**	**56.2%**
Variation versus FY20 (%) at constant currency	**+19.6%**	**+54.9%**	**+30.5%**	**+967.4%**	**+53.0%**
FY20 revenue	**19,315**	**41,002**	**26,526**	**1,268**	**88,111**

5. RESEARCH AND DEVELOPMENT

Research and development expenses amounted to EUR 27.1 million in 2021 versus EUR 24.0 million in 2020. 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 to conclude that the criteria of IAS38.57 were not met. Consequently, development costs incurred in 2021 cannot be capitalized.

Since the fourth quarter of 2010, EVS considers 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 2021, it amounted to EUR 0.4 million.

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

EVS is also benefiting since 2H2016 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, 2019	59	237	58	110	464
Dec. 31, 2020	65	272	94	119	550
Dec. 31, 2021	69	268	81	133	551

As of December 31, 2021, EVS had a total of 551 employees (full-time equivalents, including 6 leadership team members, an increase of 0.2% compared with end of year 2020. The total salary cost stands at EUR 47.3 million in 2021 as opposed to EUR 40.2 million in 2020. Throughout 2021, the average number of employees was 547, up 6.4% over 2020 (514).

7. RESULTS

7.1. 2021 key figures

IFRS - EUR million, except earnings per share, expressed in EUR	***1H21 Reviewed***	***2H21 unaudited***	**2021 Audited**
Revenue	61.8	*75.8*	**137.6**
Gross margin	42.6	*53.2*	**95.8**
Gross margin %	68.9%	*70.3%*	**69.6%**
Operating profit – EBIT	15.4	*21.7*	**37.1**
Operating margin – EBIT %	24.9%	*28.6%*	**27.0%**
Net profit – Group share	15.6	*19.3*	**34.9**
Basic earnings per share	1.16	*1.44*	**2.60**

7.2. Comments on the results

Consolidated gross margin was 69.6% for FY21, compared to 66.5% in FY20 following a favorable product mix. Operating expenses increased by 11.0% YoY: once corrected for the Axon integration and some increasing expenses following evolving COVID situations, the increase in primarily linked to revenue related expenses (variable renumeration…) and spend linked to our overall business transformation strategy. The FY21 EBIT margin was 27.0% at EUR 37.1 million. Income taxes in FY21 amounts to EUR 2.8 million, resulting in an effective tax rate of 7.5%, mainly because of the innovation box regime in Belgium and other R&D tax incentives. An exceptional tax benefit of 0.5Mio€ was booked linked to a restitution dating 2016.

Group net profit amounted to EUR 34.9 million in FY21, compared to EUR 7.2 million in FY20. Basic net profit per share amounted to EUR 2.60 in FY21, compared to EUR 0.53 in FY20.

7.3. Data per share (EUR)

	2021	**2020**	**2019**	**2021/2020**
Weighted average number of subscribed shares for the period, less treasury shares	13,400,624	13,668,612	14,016,921	-2%
Basic net profit, group share	**2.60**	**0.53**	**1.40**	**390.6%**

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

EVS continues to have a strong balance sheet with net cash position of EUR 54.9 million with low debt level (of which EUR 13.4 million related to Lease contracts) resulting in a total equity representing 73.3% of the total balance sheet as of the end of December 2021.

Lands and buildings mainly include the new headquarters in Liège as well as the right of use for the offices abroad. Twelve months depreciations on intangible assets, lands, and buildings (including the right of use assets) and other tangible assets reached EUR 7 million. Liabilities include EUR 17.3 million of financial debt (including long term and short-term portion of it), mainly related to lease liabilities for EUR 13.4 million and borrowings for EUR 3.9 million.

The net cash from operating activities amounts to EUR 38.7 million in December 2021 compared to EUR 19.2 million in December 2020. On December 31, 2021, cash, and cash equivalents total EUR 72.1 million. This is an increase compared to the end of 2020 mainly explained by the growth of the net cash from operating activities together with the overall decrease of the net cash used in investing activities. The increase of net cash used in financing activities is mainly explained by the payment of an interim and final dividend in 2021 (this was not the case for 2020).

At the end of December 2021, there were 14,327,024 EVS shares outstanding, of which 925,140 were owned by the company. In 2021, 158,600 new warrants were granted to various staff members, there were no exercises meaning that no shares were used to satisfy the exercise of warrants by employees and 28,000 warrants were cancelled. At the end of 2021, 456,432 warrants were outstanding with an average exercise price of EUR 19.89 and an average maturity of November 2025. Additional information is available in the note 5.4.

The Ordinary General Meeting of shareholders of May 18, 2021, approved the allocation of 3,067 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's success.

9. PROVISIONS FOR RISKS AND CHARGES

As per December 31, 2021, EUR 1.5 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, 2021, the net book value of lands and buildings was EUR 52.7 million (including 10.7 million of right-of-use).

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 2022

Financial Guidance
We see the LSP market continue to transition their infrastructure to UHD. The LSM-VIA replay and its IP capabilities support transition to XT-VIA Live Video Servers for LSP customers looking to deploy remote production solutions.

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.

Considering the order book, LAB is expected to be the structural market pillar supporting the growth of revenues in 2022 with continued modernization projects. We can also observe that we managed to increase our "long term order book" (beyond 2022). This results 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 positioning long term recurring revenue sales.

In BER market pillar, EVS 2022 revenues will be influenced by the occurrence of the major winter sport events, representing around EUR 9.2 million of revenues.

The order book for 2022 amounts to EUR 41.8 million as of Dec 31st, 2021, which is +34.0% (excl. big event rentals) compared to last year at the same date (Dec 31st). EVS also has EUR 9.2 million of order book for big events rentals.

In addition to this order book for 2022, EVS already has EUR 12.9 million of orders to be invoiced in 2023 and beyond.

All company indicators are green to deliver a strong 2022. EVS issues a guidance in terms of revenue between EUR 125 million and EUR 140 million. EVS does see an increasing impact of the worldwide shortage in the supply chain of electronic components, which may impact our revenue generation in 2022.

Operating expenses will continue to grow mid to high single digits because of inflation and additional hirings to continue and fuel our growth. Further evolution of inflation can potentially impact this assessment.

14. SUBSEQUENT EVENTS

Further to the conflict in Ukraine, EVS is monitoring and will comply with the international sanctions on Russia and Belarus within the framework of its business in those regions. EVS does not anticipate that the compliance of those sanctions might impact its business results as the revenue for those regions is not material.

15. PROPOSALS BY THE BOARD TO THE SHAREHOLDERS

The Board of Directors has decided to communicate the intention to pay a base gross dividend worth EUR 1.00 per share for the year 2021.

Next to that, EVS would like to honor its past dividend intentions (an intent to distribute EUR 1,00 per share per annum for the period 2018-2021). Therefore, after difficult market conditions in 2020, linked to the pandemic, EVS proposes an additional exceptional gross dividend: a first additional exceptional gross dividend of EUR 0,50 per share in May 2022, and a second additional exceptional gross dividend of EUR 0,50 per share in May 2023. Obviously, all subject to market conditions and approval of the Ordinary General Meeting of shareholders.

An interim dividend of EUR 0.50 has been paid in November 2021. The final dividend will therefore be of EUR 1.00, subject to the approval of the Ordinary General Meeting of May 17th, 2022.

For the next 3 years, EVS proposes to renew the dividend policy. A proposal will be presented to the Ordinary General Meeting of shareholders. Our ambition is to deliver a total gross dividend of EUR 1,10 for the period 2022-2024, subject to market conditions and to the approval of the Ordinary General Meeting of May 17th, 2022.

The dividend proposal for 2021 and beyond is to be summarized as following:

In € per fiscal per share	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Base dividend	1,00	1,10	1,10	1,10
Exceptional additional dividend	0,50	0,50	0,00	0,00
Total dividend	**1,50**	**1,60**	**1,10**	**1,10**

The Board of Directors also proposes to grant shares to the employees within the framework of the law relating to profit-sharing schemes. These shares are based on a profit-sharing scheme of 2% of the annual EBIT. Based on an average share price assumption of 21€, this would represent a total of 56 shares to be awarded per team member (only Belgian team members are concerned). The exact number of shares is to be calculated at a later stage, based on the average closing share price of the last 30 days prior to the publication of the invitation to the Ordinary General Meeting for shareholders and awarded to the overall Belgian population.

CORPORATE GOVERNANCE STATEMENT

This section of the annual report summarizes the rules and principles of good corporate governance established by EVS, in accordance with Belgian Company and Association Code (and the law of April 6, 2010), articles of incorporation and the Charter of Corporate Governance. It also focuses on activities related to the year 2021.

1. CORPORATE GOVERNANCE CHARTER

Already in 2006, the Board of Directors of EVS Broadcast Equipment approved a Corporate Governance Charter ("Charter"), Until 31 December 2019, this Charter was based on the 2009 Belgian Code on Corporate Governance ("The 2009 Code"). The Board has reviewed and updated this Charter at the end of 2019, taking into account 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 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, 2021, the Board of Directors was made up of 6 members. Decisions are taken by a majority vote. In the event of a tie, the Chairman or his representative has a casting vote. In the case of a conflict of interest, the people involved do not take part in the debates and in the vote.

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

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

In 2021, the Board met 7 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, 2021 business updates, the 2022 budget and 5 year business plan, 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 and a Nomination and Remuneration Committee to conduct reviews on specific matters and advise on them. The final decision remains a collective responsibility of the Board of Directors.

3.1. Audit Committee

The Audit Committee is composed of 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 2021 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. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of four non-executive independent directors. This committee assumes the mission described in the article 7:100 of the Belgian Company and Association Code. More generally, it assists the Board of Directors in its responsibilities concerning the remuneration policy setting, reviewing and setting the remuneration for the company's executives and managers as well as the long terms incentives and variables and bonus policy. It also follows up and makes recommendations to the Board of Directors with regard to the appointment of board members and executives. The members of the Nomination and Remuneration Committee met 5 times in 2021.

On December 31, 2021, the Board of Directors was made up as follows:

		Director since	Audit Committee	Nomination and Remuneration Committee	Term of mandate	Activities in 2021	
						Attendance Board meetings (7)	Attendance Committees (4 – Audit Co) (5 – Rem. Co)
Michel COUNSON	Managing Director	1994			May 2024	7/7	0
Innoconsult bvba, represented by Martin DE PRYCKER	Independent Director	2016	Member	Member	May 2024	7/7	9/9
7 Capital sprl, represented by Chantal DE VRIEZE	Independent Director	2017	Member		May 2025	7/7	4/4
Philippe MERCELIS[1]	Independent Director	2019	Chairman	Member	May 2023	4/7	6/9
Accompany You sprl, represented by Anne CAMBIER	Independent Director	2019		Chairman	May 2023	7/7	5/5
The House of Value – Advisory & Solutions BV, represented by Johan DESCHUYFELEER	President and Independent Director	2020	Member	Member	May 2024	7/7	9/9

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.

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.

[1] Philippe Mercelis was for personal reasons unable to attend and therefore excused due to unavailability relating to 3 meetings of the Board of Directors, 2 meetings of the Nomination and Remuneration Committee and 1 meeting of the Audit Committee.

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, 2021[3], the Executive Committee— was composed of:

- Innovision BV, represented by Serge VAN HERCK, CEO
- WeMagine Srl, represented by Veerle DE WIT, CFO
- Ikaro Srl, represented by Nicolas BOURDON, CMO
- RCG Srl, represented by Quentin GRUTMAN, CCO
- M2C Srl, represented by Pierre MATELART, CPO

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 and inclusion in its staff, also continued to work on the diversity of age, gender, ethnicity, 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. Diversity and ethnicity are really important to our company, given EVS' global presence. We believe that diversity and inclusion is key to discover talents, to have the right people at the right place in the organization to ultimately achieve excellence. That is why we bring to attention the representation of minority groups at all levels. Our team members are welcomed regardless of their cultural background, gender, mother tongue, age, etc. We have zero tolerance for racism and discrimination.

As many companies, EVS is moving towards gender equality. Experiencing inequality in our teams is not acceptable especially because we are people oriented. We want to create an inclusive, equal, and sustainable context in order to let people express their full potential. In 2021, our Board of Directors was composed of 2 women out of 6 members, our

[3] The services agreements of Sbasyva, Srl, represented by Yvan ABSIL, former CFO and of Seremia Srl, represented by Axel BLANCKAERT, former CTO respectively ended as at 4 March 2021 and 16 December 2021.

Executive Committee (known as the Leadership Team) of 1 woman out of 6 members and our EVS extended management team (known as the skippers' team) was composed of 9 women out of 56 members. The latter is also diversified from several angles: management, transformation, technologies, software and services as well as a diversity of geography and an international exposure of its members.

Starting from 2022 our executive committee will be even more diversified, as we will welcome new nationalities within the team (namely one Spanish citizen and one British citizen).

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 Director, the CEO, the CFO and local managers. The subsidiaries are spread over geographical regions (America, Europe/Africa/Middle East, Asia/Pacific). This type of organization enables very efficient distribution of information at the group level as well as rapid decision making. The group's commercial policy is coordinated by the parent company, and each region has different levels of operational autonomy which allows creating an optimal contact with the market.

5. 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 comes 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 Réviseurs 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 2021, all fees related to the Auditor of the parent company, EY Réviseurs d'Entreprises SRL (B-00160), represented by Marie-Laure MOREAU and its associates, amounted to EUR 149,200 in aggregate for their duties as Auditor.

6. SHAREHOLDING (AS OF DECEMBER 31, 2021)

The situation as it appears from the last official ownership statements received by the company and the situation of treasury shares as of December 31st, 2021, is as follows:

Shareholder	Number of shares	% statutory basic (1)	% statutory diluted (2)
Michel Counson	835,906	5.8%	5.7%
Treasury shares EVS	925,140	6.5%	6.3%
Degroof Petercam Asset Management	707,679	4.9%	5.0%
Schroders Plc	424,743	3.0%	2.9%
Norges Bank	423,428	3.0%	2.9%
Otus Capital Management Limited	820,529	5.7%	5.6%
Ennismore Fund Management	435,497	3.0%	2.9%
Undeclared	9,754,102	68.1%	65.8%
Total	**14,327,024**	**100.0%**	
Total excl. Treasury shares	**13.401.884**		
Outstanding warrants as of Dec. 31	456.432		3.1%
Total diluted	14.783.456		100.0%
Total diluted, excl. treasury shares	13.858.316		

(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, 2021, EVS had 925.140 own shares. According to Euroclear and the EVS Shareholders Register, there were 1,274,979 registered shares of which 811,528 are owned by Michel Counson (who also own 24,378 dematerialized shares), 1,157 by EVS, 83,706 by the EVS employees under the profit-sharing scheme and the remaining balance by 12 shareholders. In the EVS accounts at Euroclear, there were 13,052,045 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 2021).

7. GENERAL MEETINGS

Each year, EVS holds its Ordinary General Meeting on the third Tuesday of May. In 2021, it was held on May 18th at EVS' premises and through a video conference system, it being understood that the shareholders were recommended to vote by proxy due to the Covid-19 pandemic. Overall, 99 shareholders were present or represented, representing 2,695,048 shares, or 18.8 % of the share capital of EVS. All resolutions were approved at an average rate of 81.11% 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 18th, 2021 but did not reach the required quorum. A second Extraordinary General meeting has been convened on June 7th, 2021. Overall, 103 shareholders were present or represented, representing 2,715,549 shares, or 19% of the share capital of EVS. The proposition to (i) renew the authorization granted to the Board of Directors to increase the capital within the framework of article 7:198 et seq. of the Belgian Companies and Associations Code and grant the authorization to the Board of Directors to increase the capital within the framework of article 7:202 of the Belgian Companies and Associations Code as well as (ii) to renew the authorization granted to the Board of Directors to acquire and dispose of the Company's shares were not adopted as they did not meet the three-quarters majority vote of the votes cast at the Extraordinary General Meeting. The proposition to recast the Articles of Association of EVS in order to bring them in line with the Belgian Companies and Associations Code has been approved with a rate of 99.9% of votes in favor at the Extraordinary General Meeting.

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. SHAREHOLDER ENGAGEMENT

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

EVS' management has intensified the engagement with our shareholders in 2021 and will continue on this basis as we consider shareholder dialogue as a top priority.

9. 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 2021, the Board of Directors will propose to the shareholders, at the Ordinary General Meeting of May 17th, 2022, the approval of the distribution of a total gross dividend per share of EUR 1.00 for the fiscal year.

In addition, the Board of Directors proposes an exceptional additional dividend distribution to be paid in May 2022. EVS wants to honor its past dividend intentions of EUR 1.00 per share per annum for the period 2018-2021. As such, after difficult market conditions in 2020 linked to COVID-19, EVS proposes to distribute an additional exceptional gross dividend in a two-step approach.

- A first additional exceptional gross dividend of EUR 0.50 per share in May 2022
- A second additional exceptional gross dividend of EUR 0.50 per share in May 2023

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

The Board of Directors also proposes to grant shares to the employees within the framework of the law relating to profit-sharing schemes. These shares are based on a profit-sharing scheme of 2% of the annual EBIT. Based on an average share price assumption of 21€, this would represent a total of 56 shares to be awarded per team member (only Belgian team members are concerned). The exact number of shares is to be calculated at a later stage, based on the average closing share price of the last 30 days prior to the publication of the invitation to the Ordinary General Meeting for shareholders and awarded to the overall Belgian population.

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

10. 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, and further to a study on the practice and benchmark in this matter conducted in 2021, the board of directors has decided at this stage not to apply the possibility of setting a minimum threshold for shares that executives must hold to avoid any speculation. Such position will be reviewed by the board of Directors on a regular basis. Although that is not mandatory, the majority of the members of the Executive Management is already shareholder of EVS.

- Regarding the non-executive directors, and further to a study on the practice and benchmark in this matter conducted in 2021, the board of directors has decided at this stage not to apply the possibility of allowing the non-executive director to receive a portion of his remuneration in the form of shares of the company to avoid conflict of interests and safeguard the independence of the non-executive directors. Such position will be reviewed by the board of Directors on a regular basis.

- 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 has been rescheduled in 2022.

- 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 which has started at the end of 2021 and is still ongoing.

- In principle, the Head of Group Accounting (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 which has started at the end of 2021 and is still ongoing.

- 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 has been rescheduled before 2022.

- For the sake of clarity, and contrary to what we have done in 2017, we have complied with the Code of Corporate Governance recommendation that shares cannot be awarded definitively, and that options cannot be exercised less than three years after they are awarded in the warrant plans issued in 2021 (such as 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 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 after an analysis made with comparable companies, and with the aim of professionalizing even more the governance of the company.

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

		Fixed amount		Variable amount linked to attended meetings		Other[4]
		Board of Directors	**Special committees**	**Board of Directors**	**Attendance to a Special committees**	
Non-executive						
Innoconsult bvba, represented by Martin DE PRYCKER	Independent Director	20,000 covering up to 6 meetings per year.		1,500 above 6 meetings for a full year of presence	1,000 per attendance	
7 Capital sprl, represented by Chantal DE VRIEZE	Independent Director	20,000 covering up to 6 meetings per year.		1,500 above 6 meetings for a full year of presence	1,000 per attendance	
Acompany You, represented by Anne CAMBIER	Independent Director	20,000 covering up to 6 meetings per year.	2,000 being Chairman of the Remuneration Committee	1,500 above 6 meetings for a full year of presence	1,000 per attendance	
Philippe MERCELIS	Independent Director	20,000 covering up to 6 meetings per year.	2,000 being Chairman of the Audit Commitee	1,500 above 6 meetings for a full year of presence	1,000 per attendance	
The House of Value – Advisory & Solutions BV, represented by Johan DESCHUYFELEER	Independent Director	40,000 covering up to 6 meetings per year.		1,500 above 6 meetings for a full year of presence	1,000 per attendance	
Executive						
Michel COUNSON	Managing Director	20 000 covering up to 6 meetings per year.				

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

The Ordinary General Meeting of May 2021 approved the remuneration policy as set forth above.

[4] 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.

For the sake of clarity:

- 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.

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

1.2. Remuneration report in 2021

In 2021, Directors received the following compensation for the execution of their mandate (EUR):

		Fixed amount		Variable amount linked to attended meetings		Other	10% Reduct.*	TOTAL 2021
		Board of Directors	Special committees	Board of Directors	Special committees			
Non-executive								
Innoconsult bvba, represented by Martin DE PRYCKER	Independent Director	20,000		1,500	9,000	1,500	-800	31,200
7 Capital sprl, represented by Chantal DE VRIEZE	Independent Director	20,000		1,500	4,000		-600	24,900
MMBu, represented by Patricia LANGRAND	Independent Director	6,667					-500	6,167
Acompany You, represented by Anne CAMBIER	Independent Director	20,000	2,000	1,500	5,000	500	-750	28,250
Philippe MERCELIS	Independent Director	13,333	1,500		6,000	1,500	-683	21,650
The House of Value – Advisory & Solutions BV, represented by Johan DESCHUYFELEER	Independent Director	40,000		1,500	9,000	500	-1.300	49,700
Executive								
Michel COUNSON	Managing Director	20,000					-500	19,500
TOTAL								**181,367**

*During the board meeting of 8 December 2020, the Directors approved a 10% reduction of their remuneration for a 4-month period as from January 2021 to April 2021.

As of December 31, 2021, 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 €	2017	2018	2019	2020	2021
Remuneration Evolution					
Average remuneration of employees	72,122	74,778	81,572	78,056	87,327
EVS Performance					
EBIT (€ million)	34,9	28,1	23,0	5,7	37,1
ROCE	36,3%	54,7%	27,3%	8,1%	38,0%
Free cash-flow (€ million)	25,5	32,0	21,2	9,5	38,2

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 2021 this ratio is 11x.

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

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

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

2.1. Remuneration policy

2.1.1. Our vision

"*We prefer fairness over equality*". At EVS, our goal is not to offer equal but fair packages. We offer everyone an individualized, fair, and competitive compensation package that reflects their performance and level of responsibility. 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.

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.

At EVS, we are using Hay Group's Job Evaluation Methodology to grade functions and benchmark these against market practices. Our current job grading system has been initiated a few years ago and is updated regularly. The HR department requests Korn Ferry Hay Group to perform regularly a sanity check of the existing classification in order to ensure a correct, consistent and solid basis for classification related applications (e.g. reward, mobility, recruitment, …), and to include reward benchmark information. At EVS, comparisons to the market are made with the median of the market, rather than the average. To be at a fair level of remuneration compared to the market, we consider a fair remuneration in a range between 80% and 120% of the market median. The benchmarks used are chosen according to the sector, the size of the companies and the location. We want to make sure that our Reward strategy makes our Team Members feeling concerned by EVS' long-term strategy.

2.1.2. Compensation components of the CEO and other members of the Executive Management

2.1.2.1 Overview

	Base compensation (BC)	STI*	STI Metrics*			Warrants	Other benefits**	Insurance and pension contributions**
			EBIT	Performance	Order Intake			
CEO	EUR 353,000	EUR 141,200 (40% of BC)	100%	-	-	33,000	None	N/A
CCO		40% of BC	35%	10%	55%	Max. 20% of BC	None	N/A
CFO		20% of BC	70%	30%	-	Max. 20% of BC	None	N/A
CMO		20% of BC	70%	30%	-	Max. 20% of BC	None	N/A
CPO		20% of BC	70%	30%	-	Max. 20% of BC	None	N/A
CTO		20% of BC	70%	30%	-	Max. 20% of BC	None	N/A

*Short Term Incentive (STI) - The Board of Directors selected STI metrics, as proposed by the Nomination and Remuneration Committee, which are key to deliver EVS' strategy objectives: the annual EBIT, Performance and Order Intake Targets are validated by the Board of Directors at the beginning of the relevant financial year and the achievements are followed up quarterly and assessed annually. The assessment period is the last fiscal year, and the STI amount is determined at the end of the first quarter of the next year. These criteria are evaluated by the Board of Directors annually and adapted when necessary. The annual EBIT and Order Intake targets are ambitious but achievable to enhance shareholder value. EVS Management considers that it would be detrimental for EVS business (especially with regard to the competition) to disclose the details of the EBIT and Order Intake targets but both targets are in line with our revenue guidance publicly disclosed at the beginning of the year in our financial press release. The Performance targets typically relate to: strategy, customers, EVS Team members management and sustainability.

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

2.1.2.2 STI payout

a. CEO

EBIT Target	Below Threshold	Threshold	On-Target	Cap
Achievements	<80%	80%	100%	120%
Payout	0%	50%	100%	150%

STI Maximum opportunity: 60% of the Base Compensation (i.e. 211,800)

b. CCO

EBIT Target	Below Threshold	Threshold	On-Target	Cap
Achievements	<80%	80%	100%	120%
Payout	0%	50%	100%	150%

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

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

STI Maximum opportunity: 71% of Base Compensation

c. CFO, CTO, CPO, CMO

EBIT Target	Below Threshold	Threshold	On-Target	Cap
Achievements	<80%	80%	100%	120%
Payout	0%	50%	100%	150%

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

STI Maximum opportunity: 30% of Base Compensation

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

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

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

- related to the fiscal year preceding the year during which the written notice of termination shall have been given;

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

2.2. Remuneration report in 2021

2.2.1. Overview

	Base compensation (BC)	STI payout 2021 – Total Company Cost	STI Metrics*
CEO	EUR 346,879	EUR 211,800	STI Cap – 150%
Other members of the Executive Committee	EUR 1,419,556 * Including the termination indemnities paid to Sbasyva, Srl, represented by Yvan ABSIL, former CFO (EUR 139,152) and of Seremia Srl, represented by Axel BLANCKAERT, former CTO (EUR 150,268) as agreed per the termination provisions of their respective services agreements	EUR 437,099 * * including the variable compensation granted to Sbasyva, Srl, represented by Yvan ABSIL, former CFO and to Seremia Srl, represented by Axel BLANCKAERT, former CTO as per the provisions of their services agreements.	EBIT and/or Order Intake and/or Performance Payout being more than 150% of the global On-Target-Earning STI on average

2.2.2. CEO

InnoVision BV, represented by Serge Van Herck, CEO received as Base Compensation a total amount of EUR 346,879 and a STI of EUR 211,800 for the year 2021 (which corresponds to its STI cap, i.e. 150% of the CEO's On-Target-Earnings STI equivalent to, EUR 141,200)

2.2.3. Other members of the executive management

For fiscal year 2021, the other members of the executive management were:

- Sbasyva, Srl, represented by Yvan ABSIL, CFO – contract ended at 4th March 2021
- Seremia Srl, represented by Axel BLANCKAERT, CTO – contract ended at 16th December 2021
- Ikaro Srl, represented by Nicolas BOURDON, CMO
- RCG Srl, represented by Quentin GRUTMAN, CCO
- M2C Srl, represented by Pierre MATELART, CPO
- WeMagine Srl, represented by Veerle DE WIT, CFO

The other members of the executive management received, in 2021, a global Base Compensation of EUR 1,419,556 (total company cost), including the termination indemnities paid to Sbasyva, Srl, represented by Yvan ABSIL, former CFO (EUR 139,152) and to Seremia Srl, represented by Axel BLANCKAERT, former CTO (EUR 150,268), as agreed per the termination provisions of their respective services agreements (equivalent to 110 days of provision of services to EVS), and a global variable compensation of EUR 437,099 (total company cost and including the variable compensation granted to Sbasyva, Srl, represented by Yvan ABSIL, former CFO and to Seremia Srl, represented by Axel BLANCKAERT, former CTO as per the provisions of their services agreements), which represents more than 150% of the global On-Target-Earnings STI on average.

2.2.4. Warrants

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 Nomination and Remuneration Committee based on the results of the company and their performance.

In 2021, the CEO received 33,000 warrants and the other members of the executive management, received warrants as follows in accordance with the 2021 EVS Warrants Plan:

- Axel BLANCKAERT : 10,000 warrants
- Nicolas BOURDON : 7.500 warrants
- Quentin GRUTMAN : 10,000 warrants
- Pierre MATELART : 7,500 warrants

The main features of the 2021 Warrants Plan were as follows:

- Grant date: 22 June 2021
- Vesting period: 3 calendar years (until 31 December 2024)
- First possible day of exercise: 1 January 2025
- Term of options: 6 years (expiration date of warrants: 21 June 2027)
- Strike price: 18,21 EUR (Average of EVS close share price 30 days before 22 June 2021)

3. CONFLICT OF INTEREST PROCEDURES

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

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: this is a growing concern with the current shortage in the market of electronic components.

- If we experience delays, shortages or quality issues from our component suppliers, our product sales could suffer.

- Our future success depends on our ability to attract and retain key personnel, and our failure to do so could harm our ability to grow our business.

- The average selling price of our products may decrease which could negatively 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.

- We cannot exclude that the impact of the on-going coronavirus pandemic and although less and less probable, a global re-lockdown resulting from another global wave, 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 2022 big events, impacting EVS ability to recognize all of the order back log related to these big events. EVS is constantly monitoring the Covid-19 indicators to anticipate the possible impacts on its business.

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 affiliates 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 1, 2022

CERTIFICATION OF RESPONSIBLE PERSONS

Serge Van Herck, CEO
Representing a BV

Certify that, based on their knowledge,

a) the full 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 management report fairly presents the important events and related parties transactions of 2021, including their impact on the full 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	2021	2020
Revenue	3	137,578	88,111
Cost of sales	6.2	-41,764	-29,554
Gross profit	**6.2**	**95,814**	**58,557**
Gross margin %		**69.6%**	**66.5%**
Selling and administrative expenses	6.4	-32,392	-27,486
Research and development expenses	6.3	-27,088	-24,004
Other income	6.6	1,108	152
Other expenses	6.6	-114	-1,217
Profit-sharing plan and warrants	6.4	-232	-352
Operating profit (EBIT)		**37,096**	**5,650**
Operating margin (EBIT) %		**27.0%**	**6.4%**
Interest revenue on loans and deposits	6.5	51	57
Interest charges	6.5	-893	-833
Other net financial income / (expenses)	6.5	1,254	-860
Share in the result of the enterprise accounted for using the equity method	5	193	339
Profit before taxes		**37,701**	**4,353**
Income taxes	7	-2,797	2,833
Net profit		**34,904**	**7,186**
Attributable to:			
Non-controlling interest			
Share of the group		**34,904**	**7,186**
EARNINGS PER SHARE *(in number of shares and in EUR)*	**8**	**2021**	**2020**
Weighted average number of subscribed shares		13,400,624	13,668,612
Weighted average fully diluted number of shares		13,587,624	13,674,232
Basic earnings – share of the group		**2.60**	**0.53**
Fully diluted earnings – share of the group [(1)]		**2.57**	**0.53**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR thousands)	2021	2020
Net profit	**34,904**	**7,186**
Other comprehensive income of the period		
Currency translation differences	475	-491
Total of recyclable elements	**475**	**-491**
Gains / (losses) on remeasurement of defined benefit obligations, net of tax	-412	-78
Total of non-recyclable elements, net of tax	**-412**	**-78**
Total other comprehensive income of the period, net of tax	**63**	**-569**
Total comprehensive income for the period	**34,967**	**6,617**
Attributable to :		
Non controlling interest		
Share of the group	**34,967**	**6,617**

(1) The diluted earnings per share does include:

a. 187,000 warrants attributed in December 2020 of which, 159,000 warrants are outstanding at the end of the year with an exercise price below the share price. These 159,000 warrants have maturity of October 2026; and
b. 158,600 warrants attributed in June 2021 and outstanding at the end of the year with an exercise price below the share price. These 158,600 warrants have maturity of June 2027.

The diluted earnings per share does not include 138,832 warrants outstanding at the end of 2021 as these are not exercisable given the exercise prices were above the share price.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

ASSETS (EUR thousands)	Notes	Dec 31, 2021	Dec 31, 2020
Non-current assets:			
Goodwill	10	2,832	2,832
Other intangible assets	11	6,113	7,041
Lands and buildings	12	52,673	51,662
Other tangible assets	12	4,307	5,034
Investment accounted for using equity method	5	1,920	1,760
Other amounts receivable	15	2,408	543
Deferred tax assets	7.3	5,933	8,725
Financial assets	13	404	395
Total non-current assets		**76,590**	**77,992**
Current assets:			
Inventories	14	25,951	22,579
Trade receivables	15	38,924	30,728
Other amounts receivable, deferred charges and accrued income	15	6,417	5,929
Financial assets	16	201	120
Cash and cash equivalents	17	72,144	52,668
Total current assets		**143,637**	**112,024**
Non-current assets classified as held for sale	18	-	-
Total assets		**220,227**	**190,016**

EQUITY AND LIABILITIES (EUR thousands)	Notes	Dec 31, 2021	Dec 31, 2020
Equity			
Capital	**19**	**8,772**	**8,772**
Reserves	19.6	170,570	149,309
Treasury shares	19.5	-17,776	-17,835
Total consolidated reserves		**152,794**	**131,474**
Translation differences	19.7	751	276
Equity, attributable to the owners of the parent		**162,317**	**140,522**
Non-controlling interest		**-**	**-**
Total equity		**162,317**	**140,522**
Provisions	21	1,502	1,299
Deferred taxes liabilities	7.3	11	1,389
Financial debts	20	13,554	12,251
Other debts	6.4.1	1,825	993
Non-current liabilities		**16,892**	**15,932**
Financial debts	20	3,728	4,713
Trade payables	22	10,497	5,775
Amounts payable regarding remuneration and social security	23	10,658	7,005
Income tax payable		2,586	2,258
Other amounts payable, advances received, accrued charges and deferred income	22	13,549	13,811
Current liabilities		**41,018**	**33,562**
Total equity and liabilities		**220,227**	**190,016**

CONSOLIDATED STATEMENT OF CASH FLOW

	Notes	2021	2020
Cash flows from operating activities			
Net profit, share of the group		**34,904**	**7,186**
Adjustment for:			
-Other income		-	18
- Depreciation and write-offs on tangible and intangible assets	11, 12	7,015	6,658
- Write-off on goodwill	10	-	1,125
- Profit-sharing plan and warrants	6.4	232	352
- Provisions	21	417	-337
- Income tax expenses	7	2,797	-2,833
-Interest expense (+) / income (-)	6.5	-412	1,636
-Share of the result of entities accounted for under the equity method		-193	-339
Adjustment for changes in working capital items:			
-Inventories	14	-3,372	-3,648
-Trade receivables	15	-10,061	8,204
-Other amounts receivable, deferred charges and accrued income	15	-430	-1,206
-Trade payables	22	4,722	-1,446
-Amounts payable regarding remuneration and social security		3,653	-1,671
-Other amounts payable, advances received, accrued charges and deferred income		-263	4,184
-Conversion differences		813	590
Cash generated from operations		*39,822*	*18,473*
Income taxes received / (paid)	7	-1,112	686
Net cash from operating activities		**38,710**	**19,159**
Cash flows from investing activities			
Purchase of intangible assets		-234	-53
Purchase of tangible assets (lands and building and other tangible assets)	12	-1,357	-2,264
Disposal of tangible assets		-	207
Business acquisitions		-	-10,255
Other financial assets		3	-35
Net cash used in investing activities		**-1,588**	**-12,400**
Cash flows from financing activities			
Reimbursement of borrowings	20	-1,086	-4,590
Proceeds from new borrowings	20	-	5,500
Payment of lease liabilities	20	-3,417	-3,224
Interests paid	6.5	-566	-1,645
Interests received	6.5	13	57
Dividend received from investee		-	-
Dividend paid - interim dividend	9	-6,701	-
Dividend paid - final dividend	9	-6,699	-
Other allocation		-	-300
Acquisition (-) / sale (+) of treasury shares	19.5	-	-7,908
Increase in shareholders' equity		-	-
Net cash used in financing activities		**-18,456**	**-12,110**
Net increase in cash and cash equivalents		18,666	-5,351
Net foreign exchange difference		810	-991
Cash and cash equivalents at beginning of period		**52,668**	**59,010**
Cash and cash equivalents at end of period		**72,144**	**52,668**

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, 2020	**8,772**	**142,149**	**-9,927**	**767**	**141,761**	**-**	**141,761**
Profit or loss		7,186			7,186		7,186
Other comprehensive income		-78		-491	-569		-569
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			-7,908		-7,908		-7,908
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**

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, share of the group	Non-controlling interest	Total Equity
Balance as at January 1, 2021	**8,772**	**149,309**	**-17,835**	**276**	**140,522**		**140,522**
Profit or loss		34,904			34,904		34,904
Other comprehensive income		-412		475	63		63
Total comprehensive income for the period		34,492		475	34,967		**34,967**
Increase in shareholders' equity							
Share-based payments		232			232		**232**
Operations with treasury shares			59		59		**59**
Final dividend		-6,699			-6,699		**-6,699**
Interim dividend		-6,701			-6,701		**-6,701**
Other allocation		-63			-63		**-63**
Balance as per December 31, 2021	**8,772**	**170,570**	**-17,776**	**751**	**162,317**		**162,317**

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 at December 31, 2021 were established by the Board of Directors of April 1, 2022. 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 17, 2022.

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 1st, 2021. 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 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2.
- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions (applicable for annual periods beginning on or after 1 June 2020).
- Amendments to IFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 to 1 January 2023 (applicable for annual periods beginning on or after 1 January 2021).

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 2021:

- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1April 2021).
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022).
- 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).
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022).
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022).
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023).
- 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 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023, 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 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.

There is a presumption that a majority of voting rights results in control. To support this presumption and when EVS has less than a majority of the voting or similar rights of an investee, EVS considers all relevant facts and circumstances in assessing whether it has power over an investee, including: (a) The contractual arrangement(s) with the other vote holders of the investee, (b) Rights arising from other contractual arrangements, (c) EVS's voting rights and potential voting right

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 control.

2.7. Interests in joint ventures and in associates

Joint ventures (in accordance with IFRS 11 provisions) 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 judgements, assumptions and estimates

2.8.1. Judgements

The preparation of the financial statements in accordance with the group's accounting methods, requires management to make judgments, estimates, and assumptions, , 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. Assumptions and 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, the determination of the contingent consideration, determining the fair value of share-based payments, the evaluation of the deferred tax position and the determination of the percentage of completion of construction works.

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 in euros (EUR) which is the functional currency of the parent company, 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 in other comprehensive income and then shown under a separate 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)
2021	1.1830	1.1326
2020	1.1422	1.2271
Variation		

GBP / EUR exchange rate	Twelve months average	At December 31 (closing rate)
2021	0.8599	0.8403
2020	0,8897	0,8990
Variation		

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 profit or loss.

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 amortization 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 depreciated over the estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period of the financial information.

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

The 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.

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. Impairment of non-financial assets

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

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

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

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

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

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

2.14. 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.

2.15. 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.

2.16. 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.

2.17. Other current and non-current assets

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

2.18. 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.

2.19. 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.

2.20. 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.

2.21. 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.

2.22. 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.

2.23. 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.

2.24. 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).

2.24.1. 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.

2.25. 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.

2.26. 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 on the risks and rewards associated with owning the asset are with the lessee or the lessor.

2.26.1. 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.

2.26.2. 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.

2.27. Government grants

2.27.1. 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.

2.27.2. 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.

2.28. 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.

2.29. 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 2021 cannot be capitalized.

2.30. 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.

2.31. 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.

2.31.1. 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.

2.31.2. 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.

2.32. 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".

2.33. 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.

2.34. 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.

2.35. 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

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 MediaInfra Solution pillar 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 single 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

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)	**FY21**	**FY20**	**% FY21/FY20**
Live Audience Business	72,259	56,685	+27.5%
Live Service Provider	51,785	30,158	+71.7%
Big Event Rentals	13,534	1,268	+967.4%
Total Revenue	**137,578**	**88,111**	**56,2%**

The above presentation includes the latest and refined classification of our customers by market pillar for both 2020 and 2021.

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
FY21 revenue	**23,077**	**63,468**	**37,499**	**13,534**	**137.578**
Evolution versus FY20 (%)	**+19.6%**	**+54.9%**	**+41.4%**	**+967.4%**	**+56.2%**
Variation versus FY20 (%) at constant currency	**+19.6%**	**+54.9%**	**+30.5%**	**+967.4%**	**+53.0%**
FY20 revenue	**19,315**	**41,002**	**26,526**	**1,268**	**88,111**

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 three countries: The United States, Spain and Switzerland (respectively, EUR 32,8 million, EUR 10,9 million & 9,1 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)	FY21	FY20	% FY21/FY20
Systems	106,416	74,876	+42.1%
Services	31,162	13,236	+135,4%
Total Revenue	**137,578**	**88,111**	**+56.2%**

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 (this was the same case for 2020).

3.2.5. Maturity analysis of the order book

We start the year 2022 with the highest order book in the history of EVS at EUR 63,9 million (+18,6% YoY), of which:

- EUR 41,8 million to be recognized in revenue in 2022 (+34,0% YoY and excl Big Event Rentals)
- EUR 9,2 million to be recognized in revenue in 2022 for Big Events Rental (compared to 12,9Mio€ at the end of 2020)
- EUR 12,9 million to be recognized in revenue in 2023 and beyond (+31,6% YoY)

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

NAME AND ADDRESS	Year of foundation or acquisition	Staff as of 31.12.21	Incorporation method used (1)	Part of capital held as of 31.12.21 (in %) (2)	Part of capital held as of 31.12.21 (in %) (2)	Change in % of capital held
EVS Broadcast Equipment Inc. 700 US 46 East Fllor 3 NJ 07004 Fairfield, USA	1996	22	F	100.00	100.00	0.00
EVS Broadcast México, SA de CV World Trade Center, Cd. De México, Montecito N° 38, Piso 23, Oficina 38, Col. Nápoles, Delegación Benito Juárez, D.F. 03810 México, MEXIQUE RFC: EBM 1106152TA	2011	4	F	100.00	100.00	0.00
EVS France SARL Avenue André Morizet, 62bis F-92100 Boulogne-Billancourt, FRANCE TVA: FR-21419961503	1998	11	F	100.00	100.00	0.00
EVS France Développement SARL Avenue André Morizet, 62bis F-92100 Boulogne-Billancourt, FRANCE TVA: FR-53514021476	2009	5	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	18	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	11	F	100.00	100.00	0.00
EVS Broadcast Equipment Iberica SL Avda de Europa 12-2C, Edificio Monaco, Parque Empresarial la Moraleja 28109 Alcobendas, Madrid, ESPAGNE CIF: B85200236	2007	4	F	100.00	100.00	0.00
EVS Nederland BV Parnassungsweg 819 1082 LZ Amsterdam PAYS-BAS	2008	2	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	13	F	100.00	100.00	0.00
EVS Broadcast Equipment Singapore PTE. Ltd. Level 8-9, The Metropolis Tower 2 11 North Buona Vista Drive 138589 SINGAPORE	2015	4	F	100.00	100.00	0.00
EVS Australia Pty Ltd. Level 8, 261 George Street Sydney NSW 2000, AUSTRALIE	2007	2	F	100.00	100.00	0.00
EVS Deutschland GmbH Mina-Rees Stra. 8, 64295 Darmstadt, ALLEMAGNE VAT: DE-289 460 223	2013	20	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	11	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	3	F	N/A	N/A	N/A
EVS Americas Los Angeles – Representative office 101 South First Street, Suite #404 Burbank, CA 91504, USA	2006	5	F	N/A	N/A	N/A
Axon Investments BV Hercules 28, 5126RK Gilze, NETHERLANDS NL817704668B01	2007	0	F	0.00	100.00	100.00
Axon Digital Design LTD 1 Forest Court, RD41 2FD Wokingham, United Kingdom GB642547534	1998	13	F	0.00	100.00	100.00
Axon Digital Design BV Hercules 28, 5126RK Gilze, NETHERLANDS NL802646748B01	1994	52	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	0	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.
(3) Axon Holding BV has merged into Axon Investments NV on 31 December 2021 with retroactive effect from an accountancy perspective as of 1 January 2021.

5. INVESTMENT IN JOINT-VENTURES AND ASSOCIATES

(EUR thousands)	2021	2020
Investment in associates		
Opening balance as at January 1	**1,760**	**1,421**
- Disposals during the year	-	-
- Acquisitions during the year	-	-
- Results	193	339
- Others	-33	-
Closing balance as at December 31	**1,920**	**1,760**

5.1. Investments in associates

5.1.1. MECALEC SMD SA

MECALEC SMD SA was founded on October 21, 1999 by SA MECALEC (50.5%, not directly or indirectly linked to EVS) and EVS (49.5%). Its subscribed capital is EUR 200,000 and, therefore, the share of EVS in this company amounts to EUR 99,000. 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 2021 amounted to EUR 0.3 million. EVS represented 13% of MECALEC SMD's turnover in 2021.

The share of EVS in the 2021 results of MECALEC SMD amounts to EUR 193,000 and the share of EVS in MECALEC SMD equity amounts to EUR 1,920,000.

(EUR thousands)	Dec. 31, 2021	Dec. 31, 2020
Current assets	3,395	3,964
Non-current assets	978	80
Current liabilities	-494	-488
Non-current liabilities	-	-
Net assets	**3,879**	**3,556**
Share of associate's balance sheet (49.5%)	**1,920**	**1,760**
Turnover	2,788	3,561
Net result	389	686
Share of associate's net result (49.5%)	**193**	**339**
Other	**-33**	
Carrying amount of investment	**1,920**	**1,760**

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

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)	2021	2020
Revenue	137,578	88,111
Cost of sales	-41,764	-29,554
Gross profit	**95,814**	**58,557**
Gross margin %	**69.6%**	**66.5%**

Consolidated gross margin was 69.6% for FY21, compared to 66.5% in FY20 due to a favorable product mix.

Operating expenses increased with 11% to EUR 58.7 million (EUR 52.9 million in 2020). The year-over-year comparison is impacted by the Axon acquisition and some COVID measures. Once normalized, the increase is primarily linked to the overall performance (variable renumeration, logistics fees, …) as well as some expenses to build the future, translated by new hires as well as support in business transformation. In other income a benefit of EUR 1,0 million was booked following the close out of the earn out clause in the Axon acquisition contract.

The FY21 EBIT margin was 27.0% at EUR 37.096 million (EUR 5.650 million in 2020).

6.3. Research and development expenses

Research and development expenses amounted to EUR 27.1 million in 2021 versus EUR 24.0 million in 2020. 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 to conclude that the criteria of IAS38.57 were not met. Consequently, development costs incurred in 2021 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 2021, it amounted to EUR 0.4 million (EUR 0.5 million in 2020).

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

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

(EUR thousands)	**2021**	**2020**
Gross R&D expenses	29,599	26,343
Benefits relating to R&D expenses	-2,511	-2,339
R&D expenses, net	**27,088**	**24,004**

6.4. Complementary information about operating charges by nature

(EUR thousands)	**2021**	**2020**
Raw materials and consumables used	-28,746	-18,259
Increase (+)/decrease (-) in stocks of finished goods, work and contracts in progress	8,191	-3,519
Personnel expenses	-47,288	-40,174
- Remunerations and salaries	-33,992	-32,785
- Social security costs	-7,588	-6,944
- Other personnel expenses	-5,708	-466
Of which the ones included in:		
- Cost of Sales	-11,269	-8,601
- S&A costs	-15,585	-13,992
- R&D costs	-20,202	-17,230
- Profit sharing plan and warrants	-232	-352
Average number of employees in FTE	547	514
Depreciations	-7,015	-6,658
Of which the ones included in:		
- Costs of sales	-1,764	-1,625
- S&A costs	-2,672	-2,561
- R&D costs	-2,579	-2,473
Increase (-)/decrease (+) in amounts written off	-1,990	-1,987
- Increase (-)/decrease (+) in amounts written off on stocks	-2,702	-2,016
- Increase (-)/decrease (+) in amounts written off on trade debtors	712	29

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%
2021	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 to this plan (including management fee, life insurance, disability, and risk waiver insurance premiums) at a rate of 3% of gross annual salary.

Until 2015 included, both pension plans were treated as defined contribution plans, and the contributions to 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:

	2021			2020		
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	**8,670**	**-7,686**	**984**	**7,218**	**-6,535**	**683**
Service cost	1,398	0	1,398	1,078	0	1,078
Administrative costs		18	18		22	22
Net interest expenses	41	-38	3	75	-73	2
Other	-	-	-			-
Sub-total included in profit or loss	**1,439**	**-20**	**1,419**	**1,153**	**-52**	**1,102**
Benefits paid	-141	141	0	-167	167	0
Return on plan assets	-	-106	-106		-288	-288
Actuarial changes (assumptions) of which:						
Arising from changes in demographic assumptions	-	-	- 0			0
Arising from changes in financial assumptions	-1,172		-1,172	784		784
Arising from experience adjustments	1,791	-69	1,722	-318		-318
Sub-total included in OCI	**619**	**-69**	**550**	**466**	**-288**	**178**
Contributions by employer	-	-1,128	-1,128		-978	-978
As of December 31	**10,587**	**-8,762**	**1,825**	**8,670**	**-7,686**	**984**

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 %	**2021**	**2020**
Discount rate	1.15%	0.47%
Future salary increases (incl. consumer price increases)	2.10%	1.90%

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

(EUR thousands)	**2021**
Discount rate	
0.25% decrease	451
0.25% increase	-408
Future salary evolution	
0.25% decrease	-140
0.25% increase	147

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 19 years.

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

(EUR thousands)	2021
Within the next 12 months	57
Between 2 and 5 years	199
Between 5 and 10 years	1,808
Total expected payments	**2,064**

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

6.5. Financial revenues/(costs)

(EUR thousands)	2021	2020
Interest income on deposit	51	57
Interest charges	-893	-833
Exchange result	1,117	-957
Other financial results	137	96
Net Financial revenues / (costs)	**412**	**-1,636**

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

The net exchange result is mainly explained by the appreciation of the USD and GBP exchange rates comparing EUR. (see note 2.9.3 *Exchange rates used*)

6.6. Other income and expenses

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. At the acquisition date, the transaction qualified as a business acquisition treated in accordance with IFRS 3 *Business acquisition.* The purchase price allocation exercise was finalized by the end of 2020.

The contract contained 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 amounted to EUR 1 million at acquisition date and by the end of 2020. During 2021, no fair value change related to contingent consideration was recorded.

Axon did not realize the target gross margin, as such, EVS reversed the contingent consideration initially recognized at acquisition date. The amount of EUR 1 million was recognized in other income In 2021.

7. INCOME TAXES

7.1. Tax charge on results

The tax charge for 2021 and 2020 is mainly made of:

(EUR thousands)	2021	2020
Current tax charge		
Effective tax charge	-1,763	555
Adjustments of current tax related to prior years	518	1,492
Deferred taxes		
Tax effects of temporary differences	-1,552	786
- Fixed assets depreciation, including reevaluation of buildings	-244	-261
- Intangibles (R&D investment deductions) *	32	-349
- Other intangibles	218	-1,377
- Adjustments for IFRS 16	20	61
- Adjustments for IAS 19	59	75
- Adjustments for the carry-over taxation for gains on building disposals	130	81
- Adjustments for IFRS 9	-3	52
- Reported tax losses	-1,750	2,518
- Provisions	-14	-14
- Others		-
Income taxes included in the income statement	**-2,797**	**2,833**

* see also paragraph 5 in the financial report, on deductions relating to R&D investments.

During 2021, income tax expense increased due to the increase of current income tax expense mainly explained by the raise of the profit before tax of the period for all components together with the decrease of deferred tax income essentially triggered by the consumption of reported tax losses.

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 2020 and 2021 with the theoretical tax charge obtained by applying the theoretical tax rate:

(EUR thousands)	2021	2020
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	37,508	4,014
Effective tax charge based on the effective tax rate	-2,797	2,833
Effective tax rate	**7.46%**	**-70.6%**
Reconciliation items for the theoretical tax charge		
Tax effect due to the carry-over taxation for gains on buildings disposals in the statutory accounts		
Tax effect on R&D investment deductions	-1,399	-1,029
Tax effect of non-deductible expenditures	468	311
Tax effect due to the usage of tax losses	-2,532	-
Tax effect on innovation deduction	-3,964	-2,122
Tax effect on innovation deduction (catch-up from previous years)		-
Tax effect of previous years adjustments	-518	-1,492
Other increase/(decrease)	963	393
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-9,719	-1,106
Theoretical tax rate	**-25.9%**	**27.6%**

The tax charge for FY2021 includes an adjustment of a tax benefit that was booked worth EUR 0,5 million for restitutions in the Hong Kong office.

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

7.3. Deferred taxes on the balance sheet

The sources of deferred taxes are as follows:

(EUR thousands)	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Other tangible assets		18	-	19
Buildings revaluation		1,823	-	1,578
R&D Intangibles	4,486		4,454	-
Other intangible assets		1,159	-	1,377
Leases (IFRS 16)	92	11	73	12
Defined benefit plan provision	442		246	-
Accounts receivable impairment	100		103	-
Carry-over taxation for gains		755	-	885
Recoverable tax loss	4,568		6,318	-
Deferred income / Accrued charges	-	-	-	-
Provisions for risks and charges			14	-
Total	9,688	3,766	**11,208**	**3,871**
Net booked value	**5,933**	**11**	**8,725**	**1,389**

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 decrease in the recoverable tax loss is explained mainly by the increase of the profit before tax for all Group entities.

8. EARNINGS PER SHARE

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

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

(EUR thousands)	2021	2020
Net profit	34,904	7,186
- attributable to non-controlling interests	-	-
- attributable to equity holders of the parent company	**34,904**	**7,186**

	2021	2020
Weighted average number of subscribed shares, excluding treasury shares	13,400,624	13,668,612
Dilution effect of the weighted average number of the share options in circulation	187,000	5,620
Weighted average number of fully diluted number of shares	13,587,624	**13,674,232**
Basic earnings per share (EUR)	**2.60**	**0.53**
Diluted earnings per share (EUR)	**2.57**	**0.53**

The diluted earnings per share does include (a) 187,000 warrants attributed in December 2020 of which, 159,000 warrants are outstanding at the end of the year with an exercise price below the share price. These 159,000 warrants have maturity of October 2026; and (b) 158,600 warrants attributed in June 2021 and outstanding at the end of the year with an exercise price below the share price. These 158,600 warrants have maturity of June 2027.

The diluted earnings per share does not include 138,832 warrants outstanding at the end of 2021 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	2021	2020
Paid during the year :				
- Final dividend for 2020 (EUR 0.50 per share excl. treasury shares)	30	May 2021	6,699	-
- Interim dividend for 2021 (EUR 0.50 per share excl. treasury shares)	31	Nov. 2021	6,701	-
Total paid dividends			**13,400**	**-**

(EUR thousands)	2021	2020
Proposed for approval at the OGM :		
- Total dividend for 2020 (EUR 0.50 per share incl. interim dividend)	-	6,699
- Proposed dividend for 2021 (EUR 1,50) per share incl. interim dividend	20,103	-
Total	**20,103**	**6,699**

For 2021 EVS proposes a base gross dividend at EUR 1.00 per share. However, next to that, EVS would also like to honor its past dividend intentions (an intent to distribute EUR 1.00 per share per annum for the period 2018-2021). Therefore, after difficult market conditions in 2020, linked to the pandemic, EVS proposes an additional exceptional dividend of EUR 0.50 per share in May 2022. Hence a total dividend of EUR 1.50 per share will be awarded based on the FY21 results. Mind that a first interim dividend of EUR 0.50 per share has already been paid in November 2021. The remaining ER 1.00 will follow in May 2022, subject to approval of the Ordinary General Meeting of shareholders.

10. GOODWILL

(EUR thousands)	CGUs			TOTAL
	OpenCube	SVS	Axon	
Acquisition cost				
As of December 31, 2020	**820**	**1,125**	**2,832**	**4,777**
- Acquisitions	-	-	-	-
- Sales and disposals			-	-
As of December 31, 2021	**820**	**1,125**	**2,832**	**4,777**
Accumulated impairment				
As of December 31, 2020	**820**	**1,125**	**-**	**1.945**
- Impairment		**-**	**-**	**-**
- Sales and disposals			-	-
As of December 31, 2021	**820**	**1,125**	**-**	**1,945**
Net carrying amount				
As of December 31, 2020	**-**	**-**	**2,832**	**2,832**
As of December 31, 2021			**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 amortized but is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The value in use of the Cash Generating Unit (CGU) is calculated from the present value of the cash flows included in the business plan of SVS and Axon, in accordance with IAS 36.

10.1. Axon Group

By the end of 2021, management conducted an impairment test exercise on Axon Group as a CGU.
Management initiated the impairment test exercise by detecting any qualitative impairment indicators for Axon Group. The exercise did not indicate the presence of material qualitative impairment indicators.

In order to confirm the first analysis, management calculated the recoverable amount (value in use) of Axon Group CGU by:

- Using cash flow projections (discounted cash flow method: DCF) based on financial budget approved by the directors covering a five-year period;
- Considering 10% growth on the revenue (only for the first five years period);
- Applying a discount rate of 10% (Weighted Average Cost of Capital: WAAC), which corresponds to a pre-tax discount rate of 10,95%;
- Using perpetual cash-flows for the period beyond the forecast period (five years);
- Not considering any growth for the terminal value.

The result of the calculations confirmed that no impairment needs to be booked at 2021-year end.

The calculation of the value in use of Axon Group CGU is sensitive to (a) gross margin and (b) discount rate. In this context, management conducted sensitivity test by increasing and decreasing the sensitive factors by +/-10%. The outcome of the sensitivity analysis does not influence the conclusion that no impairment needs to be booked at 2021-year end.

11. OTHER INTANGIBLE ASSETS

(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 amortization				
As of December 31, 2019	**-2,581**		**-2,907**	**-5,488**
- amortization	-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**

(EUR thousands)	Technology (DWESAB, OpenCube and Axon)	Other intangibles: customer related	Software licenses	TOTAL
Acquisition cost				
As of December 31, 2020	**5,070**	**5,119**	**3,142**	**13,331**
- Business combination	-	-	-	**-**
- Acquisitions	-	-	110	**110**
- Sales and disposals	-	-	-	**-**
- Transfers	-	-	-	**-**
- Intangible assets in progress	-	-	130	**130**
- Other	-	-	7	**7**
As of December 31, 2021	**5,070**	**5,119**	**3,389**	**13,578**
Accumulated amortization				
As of December 31, 2020	**-2,818**	**-488**	**-2,985**	**-6,290**
- amortization	356	731	-80	**1,167**
- Sales and disposals	-	-	-	-
- Transfers	-	-	-	-
- Other	-	-	-7	-7
As of December 31, 2021	**-3,174**	**-1,219**	**-3,072**	**-7,465**
Net carrying amount				
As of December 31, 2020	**2,252**	**4,631**	**157**	**7,041**
As of December 31, 2021	**1,896**	**3,900**	**317**	**6,113**

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, 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	**42,470**	**-**	**-**	**371**	**42,841**

(EUR thousands)	Land and buildings	Plant, machinery and equipment	Other tangible assets	Assets under construction	TOTAL
Acquisition cost					
As of December 31, 2020	**58,981**	**6,961**	**17,606**	**371**	**83,919**
- Business combination					
- Acquisition	3,872	589	741	659	5,861
- Sales and disposals		-21			-21
- Transfers	105	176	-	-281	-
- Other	425	273	-	-	698
As of December 31, 2021	**63,383**	**7,978**	**18,347**	**749**	**90,457**
Accumulated depreciation					
As of December 31, 2020	**-7,691**	**-4,727**	**-14,806**	**0**	**-27,223**
- Depreciations	-3,598	-1,022	-1,227	-	**-5,847**
- Sales and disposals	-	21	-	-	**21**
- Transfers					
- Other	-170	-257	-	-	**-427**
As of December 31, 2021	**-11,459**	**-5,985**	**-16,033**	**-**	**-33,477**
Net carrying amount					
As of December 31, 2020	**51,290**	**2,234**	**2,800**	**371**	**56,696**
As of December 31, 2021	**51,924**	**1,993**	**2,314**	**749**	**56,980**
Mortgages and other guarantees					
Net carrying amount of fixed assets given as real guarantees	**41,184**	**-**	**-**	**749**	**41,933**

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 2021 is explained mainly by some investments in office refurbishment work and IT equipment..

The carrying amounts of right-of-use assets, lease liabilities and the movements for the twelve months ended 31 December 2021 and 31 December 2020:

(EUR thousands)	Land and buildings	Plant, machinery and equipment	Other tangible assets	Total	Lease liabilities
As of December 31, 2019	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 of December 31, 2020	**8.821**	**184**	**2.777**	**11.782**	**12.004**

(EUR thousands)	Land and buildings	Plant, machinery and equipment	Other tangible assets	Total	Lease liabilities
As of December 31, 2020	**8.821**	**184**	**2.777**	**11.782**	**12.004**
Additions	3,977	-	759	**4,736**	4,736
Business combination	-	-	-	**-**	-
Other	-219	-	-18	**-237**	-197
Disposals	-219	-	-18	**-237**	-197
Depreciation expenses	-2,087	-184	-1,227	**-3,498**	-
Interest expenses	-	-	-	**-**	462
Conversion differences	248	-	-	**248**	282
Payments	-	-	-	**-**	-3,879
As of December 31, 2021	**10,740**	**-**	**2,291**	**13,031**	**13,408**

13. LONG TERM FINANCIAL ASSETS

(EUR thousands)	Subordinated loans	Other financial assets	TOTAL
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**
Net carrying amount as of Dec. 31, 2020	**-**	**395**	**395**
- Refunded/converted during the year	-	-3	-3
- Acquired during the year	-	0	0
- Business combination	-	0	0
- Result	-	0	0
- Others	-	12	12
Net carrying amount on Dec. 31, 2021	**-**	**404**	**404**

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, 2021	December 31, 2020
Raw materials	19,971	16,590
Finished goods	30,029	28,010
Goods purchased for resale	3,748	2,933
Total at cost	**53,748**	**47,533**
Cumulated amounts written off at the beginning of the period	**-24,953**	**-23,174**
Additions/Reversal/use of the amounts written off, net	-2,529	-2,109
Exchange rate difference	-315	329
Cumulated amounts written off at the end of the period	**-27,797**	**-24,953**
Total net carrying amount	**25,951**	**22,579**

The increase of inventories during 2021 is mainly explained by the acquisitions of the year to cover the big events that have been postponed to 2022.

Write-offs movements on inventories, which were valued at EUR 2.5 million in 2021 and at EUR 2.1 million in 2020, are accounted as charges in the costs of sales. These write-offs concern technologically obsolete stock items and to a large extent a range of products classified as end of life at the end of 2021.

15. TRADE AND OTHER RECEIVABLES

(EUR thousands)	December 31, 2021	December 31, 2020
Trade receivables	39,170	32,570
Finance lease receivables	4,834	1,984
Write offs on receivables	-2,672	-3,283
Net trade receivables	*41,322*	*31,271*
Other amounts receivable	3,833	3,228
Deferred charges and accrued income	2,584	2,701
Total	**47,749**	**37,200**

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 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, 2021, an amount of EUR 8.5 million (EUR 5.7 million on 31/12/2020) within trade receivables was overdue with more than 90 days from which EUR 2.7 million are subject of write-downs following credit quality of trade receivables. Movements of write-offs in 2020 and 2021 are as follows:

(EUR thousands)	2021	2020
Write-offs on trade receivables		
Value as of January 1	**3,283**	**3,546**
- Write-offs during the year	623	-13
- Releases of write-offs during the year	-1,345	-142
- Amounts paid down during the year	-	-
- Other	111	-108
Value as of December 31	**2,672**	**3,283**

According to IFRS 9, the following provision matrix has been used to calculate the amount of impairment allowance as of 31 December 2021.

(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**

(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%**	**0.54%**	**1.21%**	**2.09%**	**3.58%**	
Total gross carrying amount	22,496	**8,682**	**3,442**	**865**	**8,519**	44,004
Expected credit loss as of Dec 31 2021	**29.5**	**46.6**	**41.6**	**18.1**	**313.7**	**450**

By the end of 2021, credit loss rates improved comparing to 2020. This is mainly explained by the fact that credit collection during 2020 was better than expected at 2020-year end.

15.1. Finance lease receivables

(EUR thousands)	2021	2020
Gross receivable – future lease payments under finance lease		
Within one year (current finance lease)	2,766	1,525
After one year but no longer than five years (non-current finance lease)	2,651	576
Less: unearned finance income	-583	-117
Present value of future lease payments		
Within one year (current finance lease)	2,426	1,441
After one year but no longer than five years (non-current finance lease)	2,408	543

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 0.4 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, 2021 is 6.5%.

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, 2021	December 31, 2020
Contract assets	637	476
Contract liabilities	206	2,309

Invoiced advances for construction contracts amounted to EUR 0.2 million at December 31, 2021, compared to EUR 2,3 million at the end of 2020. Revenues relating to work in progress during 2021 amounted to EUR 0.6 million (EUR 0,5 million in 2020). The difference between these two amounts, EUR 0,4 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, 2021	December 31, 2020
Cash at bank and in hand (not remunerated)	19,855	11,920
Short-term deposits and remunerated cash accounts	52,289	40,748
Total	**72,144**	**52,668**

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

18. NON CURRENT ASSETS HELD FOR SALE

At the end of December 2021, 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, 2021**	**14,327,024**	**8,772,323**

19.2. Issued capital and treasury shares

As of December 31, 2021, 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, 2021, 456,432 issued warrants with an average exercise price of EUR 19.89 per share are exercisable until June 2027. 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 73.3% of the total balance sheet at the end of 2021.

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 2020, shareholders' equity increased by EUR 21.8 million and the ratio of financial independence (total equity compared with the total financial position of the group) stands at 73.3% compared to 73.9% at the end of 2020.

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 456,432 warrants outstanding at the end of 2021 (325,832 at the end of 2020), the dilution effect represents 3.3% of the share capital, this being largely covered by the 925,140 treasury shares, which represent 6.7% 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, 149,750 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.

During 2021, 158,600 warrants were distributed, no warrants were exercised, and 28,000 warrants were cancelled following the departure of personnel.

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

	2021		2020	
	Number	WAPP (EUR)	Number	WAPP (EUR)
In circulation at the beginning of the period	**325,832**	**20.17**	**138,999**	**28.90**
Granted during the period	158,600	18.21	187,000	13,69
Exercised during the period			-	-
Cancelled during the period	-28,000	13,69	-167	28.90
In circulation at the end of period	**456,432**	**19.89**	**325,832**	**20.17**

The warrants in circulation as of December 31, 2021 and exercisable over the next years are as follows:

Expiry date	First exercise date	Exercise prices (EUR)	Number on December 31, 2021	Number on December 31, 2020
2022	2020	28.90	138,832	138,832
2026	2023	13.69	159,000	187,000
2027	2025	18.21	158,600	-
Total		**Between 13.69 and 28.90**	**456,432**	**325,832**

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 consistently 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, 2021 and exercisable over the next years are as follows:

Black & Scholes key parameters	Plan 2021	Plan 2020	Plan 2017
Volatility	33.1%	31.9%	27.3%
Risk free interest rate	-0.53%	-0.7%	0.1%
Dividend return	5.0%	5.0%	3.5%
Economical value of the option vs. underlying share	15.5%	14.5%	14.4%

During 2021, the Group recognized EUR 0.169 million in relation with the warrant schemes (EUR 0.084 million in 2020).

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 17, 2022 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 2021. Taking into account tax implications for the company, this grant relates to approximately 56 shares (net of taxes) for all employees hired by the group before January 1, 2022, proportionally to the effective time performance (or assimilated) in 2021. This represented around 19.600 shares in total to maximum 350 group’s employees.

During 2021, the Group expensed EUR 0.063 million on the profit sharing plan (EUR 0.268 million in 2020).

The cost relating to the profit sharing plan is included in the “Profit-sharing plan and warrants” 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 14.83, representing in total EUR 4,999,999.

Aside of the share buyback program (ended in 2020), 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 3,067 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 success.

After aforementioned transactions the total number of own shares amounts to 925,140 shares as of December 31, 2021 (at an average historical price of EUR 19.21) compared to 928,207 as of December 31, 2020 (at an average historical price of EUR 21.43).

In 2021, the number of treasury shares moved in number and in weighted average prices (WAP) as follows:

	2021		2020	
	Number	WAP (EUR)	Number	WAP (EUR)
At the beginning of the period	**928,207**	**19.21**	**400,180**	**24.81**
Buy back on the market			544,307	15.17
Sales on the market			-	
Sales linked to the staff incentive program	-3,067	19.21	-16,280	21.43
At the end of the period	**925.140**	**19.21**	**928,207**	**19.21**

19.6. Reserves

(EUR thousands)	December 31, 2021	December 31, 2020
Legal reserves	999	999
Reserves available for distribution	169,571	148,310
Reserves for treasury shares	-17,776	-17,835
Reserves	**152,794**	**131,474**

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

19.7. Translation differences

In accordance with the group's accounting policy, 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, 2021	December 31, 2020
Long term financial debts		
Bank loans	2,779	3.328
Long term lease liabilities	10,775	8.923
Amount due within 12 months (shown under current liabilities)		
Bank loans	1,095	1.632
Short term lease liabilities	2,633	3.080
Other short term debts	-	-
Total financial debt (short and long-term)	**17,282**	**16.963**
The total financial debt is repayable as follows :		
- within one year	3,728	4.713
- after one year but no more than five	13,554	13.244
- 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. The annual installments is EUR 1.1 million per year between 2021 and 2024 with a final repayment of EUR 0.6 million in 2025 when the loan will mature.

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 30/06/2025. As of this date, EVS has not used this credit facility.

20.2. Lease liabilities

The increase of the lease liabilities during 2021 is mainly explained by new lease contracts (existing contracts reassessment)

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:

December,31,2020(EUR thousands)	Within 1 year	Between 2 and 5 years	Over 5 years	Total
Lease liabilities	3,434	8,012	1,911	**13,357**

December,31,2021 (EUR thousands)	Within 1 year	Between 2 and 5 years	Over 5 years	Total
Lease liabilities	3,104	7,656	3,825	**14,585**

20.3. Liabilities from financing activities

			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**

			Non-cash changes		
In thousands of Euro	**1 January 2021**	**Cash flows**	**Foreign exchange movements**	**Other**	**31 December 2021**
Long-term borrowings	3,328	-	-	-549	-549
Short-term borrowings	1,632	-1,086	-	549	1,095
Lease liabilities	12.004	-3,417	282	4,539	13,408
Total liabilities from financing activities	**16.964**	**-4,503**	**282**	**4,539**	**17,282**

21. PROVISIONS

(EUR thousands)	Other provisions	Technical warranty	Total
Provisions			
As of January 1, 2021	85	1,214	1,299
Arising during the year	9	279	288
Utilized	-30	-	-30
Reversed			
Others			
As of December 31, 2021	**9**	**1,493**	**1,502**
Current 2020	-	-	-
Non-current 2020	85	1,214	1,299
Current 2021	-	-	-
Non-current 2021	9	1,493	1,502

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 2021 estimate represented an amount of EUR 1.5 million (EUR 1.2 at the end of 2020).

22. TRADE AND OTHER PAYABLES

(EUR thousands)	December 31, 2021	December 31, 2020
Trade payables	10,497	5,775
Amounts payable linked	-	-
Other related parties	-	-
Total trade payables	*10,497*	*5,775*
Other payables	2,532	7,655
Accrued charges	683	902
Deferred income	10,334	5,254
Total	**24.046**	**19,586**

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. 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. At 2021-year end, EVS reversed the earn out of EUR 1 million related to Axon Group acquisition (refer to note 6.6 other income other expenses).

23. AMOUNTS PAYABLE REGARDING REMUNERATION AND SOCIAL SECURITY

(EUR thousands)	December 31, 2021	December 31, 2020
Amounts payable regarding social security	724	400
Amounts payable regarding wages and bonuses	9,934	6,605
Total	**10,658**	**7,005**

The increase of amounts payable regarding wages and bonuses in 2021 mainly due to the increase of bonuses (fixed and variable) triggered by the increase of the revenue and net profit.

24. COMMITMENTS AND CONTINGENCIES

24.1. 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.

24.2. 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 2021, a provision of EUR 1.5 million (EUR 1.2 million in 2020) is booked in relation with this warranty, as explained in the note 21.

24.3. Bank guarantees

Bank guarantees amounted to EUR 0.8 million as of December 31, 2021 (EUR 0.8 million in 2020) mainly requested as part of international public tenders, or as security deposit.

24.4. 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, 2021 (EUR 1.0 million in 2020).

24.5. Guarantees on asset

Mandates for mortgage with banks were granted for EUR 18 million (same amount for 2020) to guarantee our obligations with those banks.

24.6. Other guarantees and contingencies

No guarantee to be mentioned.

25. RELATED PARTY DISCLOSURES

25.1. 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	2021	-	-362		-44
	2020	-	-399	-	-
Total	**2021**		-362		-44
	2020	**-**	**-399**	**-**	**-**

25.2. Executives

The amounts disclosed in the table below are the amounts recognized as an expense during the reporting period related to key management personnel:

(EUR thousands)	2021	2020
Short-term employee benefits	2,126	1,895
Post-employment pension and medical benefits	-	32
Termination benefits	289	-
Share-based payment transactions	63	62
Total	2,478	1,989

The amounts disclosed in the table below are the amounts payable at the reporting period related to key management personnel:

(EUR thousands)	December 31, 2021	December 31, 2020
Short-term employee benefits	701	305
Post-employment pension and medical benefits	-	-
Termination benefits	289	-
Total	990	305

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

Expiry date	First exercise date	Exercise prices (EUR)	Number on December 31, 2021	Number on December 31, 2020
2022	2020	28.90	40,000	40,000
2026	2023	13.69	53,750	62,750
2027	2025	18.21	68,000	-
Total		**Between 13.69 and 28.90**	**161,750**	**102,750**

26. 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 2021, 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 149,200 in aggregate for their duties as Auditor. Other audit services amounted to EUR 7,500 and non-audit services were carried out by the Commissioner for a total of EUR 36,060. These missions are compatible with the statutory audit of the consolidated accounts and have been pre-approved by the audit committee.

27. 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.

28. FINANCIAL INSTRUMENTS

28.1. 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.

28.2. 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, 2021, the Group has no hedging contract in place. The fair value variation of these financial instruments during 2021 amounted EUR 0.2 million recognized as a financial expense.
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.

28.3. 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, 2021 and 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 24.3, the group is exposed to credit risk in relation with bank guarantees. As of December 31, 2021, the maximum amount the group could have to pay if these guarantees are called on is EUR 0.8 million (EUR 0.8 million in 2020).

29. EVENTS AFTER THE BALANCE SHEET CLOSING DATE

Further to the conflict in Ukraine, EVS is monitoring and will comply with the international sanctions on Russia and Belarus within the framework of its business in those regions. EVS does not anticipate that the compliance of those sanctions might impact its business results as the revenue for those regions is not material.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE GENERAL MEETING OF EVS BROADCAST EQUIPMENT SA FOR THE YEAR ENDED DECEMBER 31, 2021

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 the consolidated statement of the financial position as at 31 December 2021, 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 2021 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 6 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 2021, 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 € 220.227 thousands and of which the consolidated income statement shows a profit for the year of € 34.904 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 2021, 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, 2021, the Group's turnover amounts to € 137.578 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 2.25 and 3.2 of the Consolidated Financial Statements.

Goodwill and intangible assets Axon

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

As of December 31, 2021, the goodwill and intangible assets show a net book value of € 2.832 thousands and € 5.797 thousands.

In accordance with IAS 36, an impairment test was documented by the Company, based on a five-year business plan taking into account expected sales and costs, with all future cash flows discounted.
Due to the inherent uncertainty related to the forecasts included in the 5-year plan and the assumptions used (discount rate and growth rate), the level of management judgment and the materiality of the amounts involved, this is considered to be a key point of our audit.

• **Summary of audit procedures performed:**
We performed the following audit procedures:
- We discussed with the management about the performance of the CGU Axon and its future perspectives as set out in the five-year plan.
- We reviewed the minutes of the Board of Directors in order to confirm the information received from management.
- We have analyzed the forecasts of future cash flows in the five-year plan prepared by the management taking into account in particular the analysis of historical data.
- With the assistance of our internal business valuation specialists, we assessed the assumptions and methods used by management to determine the recoverable amount of goodwill and intangible assets.
- We compared the recoverable amount of goodwill and intangible assets with their respective net book value and concluded on the appropriateness of maintaining the net book value.
- In addition, we assessed the adequacy and completeness of the disclosures in note 10 to the consolidated financial statements based on IFRS requirements.

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

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

Our responsibilities for the audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the 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.

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, as well as to report on these matters.

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

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report contains any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non–financial information required by article 3:32, § 2, of the Code of companies and associations has been prepared as a separate report and is not included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on GRI. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with GRI.

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

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

European single electronic format ("ESEF")
In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format in the official French language as well as the free translation into English (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) in the official French language as well as the free translation into English.

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of EVS Broadcast Equipment SA per 31 December 2021 included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) in the official French language are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation, and we conclude that the format of the free translation of the digital consolidated financial statements included in annual report in English corresponds to the digital consolidated financial statements included in the annual financial report in the official French language.

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

Liege, 15 April 2022

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

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

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 113,218 thousand, representing 82.3% of the consolidated amount.

- The profit of the year amounts to EUR 34,770 thousand, compared to EUR 2,746 thousand in 2020. The balance sheet total amounts to EUR 190,047 thousand.

- In 2021, EVS Toulouse SAS paid dividends to its parent company EVS for a total amount of EUR 1.0 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 2021, EVS incurred an amount of EUR 18.3 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)	**2021**	**2020**
Operating income	**139,322**	**90,595**
A. Turnover	113,218	68,539
B. Increase (+)/decrease (-) in stocks of finished goods, work and contracts in progress	5,793	2,628
C. Capitalized production	18,333	17,158
D. Other operating income	1,978	2,271
E. Non-recurring income	-	-
Operating charges	**-108,393**	**-86,176**
A. Raw materials, consumables and goods for resale	-22,635	-14,991
1. Purchases	*-21,702*	*-17,507*
2. Increase (+)/decrease (-) in stocks	*-933*	*2,516*
B. Services and other goods	-31,680	-24,045
C. Remuneration, social security costs and pensions	-28,835	-24,901
D. Depreciation of and other amounts written off on formation expenses, intangible and tangible fixed assets	-21,862	-20,861
E. (+)/(-) in amounts written off on stock and trade debtors	-1,919	-668
F. (+)/(-) in provisions for liabilities and charges	-1,197	-226
G. Other operating charges	-264	-484
H. Non-recurring charges	-1	-
Operating profit		**4,419**
Financial income	**3,258**	**3,272**
A. Income from financial assets	1,226	1,525
B. Income from current assets	13	5
C. Other financial income	2,019	1,742
Financial charges	**1,360**	**-7,358**
A. Interest and other debt charges	-347	-270
B. Write-offs on current assets other than stocks, work in progress and trade receivables (+, -)	2,327	-1,200
C. (+)/(-) in amounts written off on current assets	-621	-1,584
X. Charges financières non récurrentes	-	-4,304
Profit on ordinary activities before taxes (+,-)	**35,548**	**333**
Transfer and withdrawal from deferred taxation	131	80
Income taxes	-909	2,333
Result for the period (+, -)	**34,770**	**2,746**
Transfers from not taxable reserves	1,136	985
Transfers to not taxable reserves	-421	-
Result for the period available for appropriation (+, -)	**35,485**	**3,730**
Appropriation account*		
A. Result to be appropriated	57,148	29,168
B. Transfers from reserves		-
C. Transfers to reserves	-744	-744
D. Profit / Loss to be carried forward	-49,702	-21,663
E. 1. Dividends	-6,701	-6,699
E. 2. Other equivalents		-62

*The 2020 figures have been updated with the results allocation approved by the Ordinary General Meeting of 18 May 2021

BELGIAN GAAP STATUTORY BALANCE SHEET

ASSETS (EUR thousands)	**31.12.21**	**31.12.20**
Fixed assets	**55,455**	**57,399**
Intangible assets	105	63
Tangible assets	39,651	41,804
A. Land and buildings	37,310	39,816
B. Plant, machinery and equipment	71	129
C. Furniture and vehicles	1,369	1,280
D. Leased assets	-	184
E. Other tangible assets	23	23
F. Assets under construction and advance payments	878	371
Financial assets	15,699	15,532
A. Affiliated companies	15,512	15,346
1. Participating interests	*5,454*	*5,454*
2. Amounts receivable	*10,058*	*9,892*
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	**134,592**	**104,061**
Amounts receivable after more that one year		
A. Trade debtors		
Stocks and contracts in progress	20,785	18,502
A. Stocks	20,785	18,502
1. Raw materials and consumables	*10,376*	*10,550*
2. Goods in process	*2,058*	-
3. Finished goods	*5,842*	*5,931*
4. Goods for resale	*2,509*	*2,021*
B. Goods in process	-	-
Amounts receivable within one year	34,531	28,451
A. Trade debtors	30,286	26,569
B. Other amounts receivable	4,245	1,882
Investments	24,276	33,926
A. Treasury shares	17,776	15,501
B. Other investments and deposits	6,500	18,425
Cash at bank and in hand	52,733	20,714
Deferred charges and accrued income	2,267	2,468
TOTAL ASSETS	**190,047**	**161,460**

LIABILITIES (EUR thousands)	31.12.21	31.12.20*
Capital and reserves	**161,815**	**127,322**
Capital	**8,772**	**8,772**
A. Issued capital	8,772	8,772
Share premium	**14,462**	**14,462**
Reserves	**78,559**	**78,530**
A. Legal reserve	877	877
B. Reserves not available for distribution	19,150	15,501
1. In respect of treasury shares	*19,150*	*15,501*
C. Not taxable reserves	2,686	3,401
D. Reserves available for distribution	55,846	58,751
Profit / Loss carried forward	**49,702**	**21,663**
Investment grants	**3,618**	**3,894**
Provisions and deferred taxation	**3,820**	**2,753**
A. Provision for liabilities and charges	3,059	1,862
B. Deferred taxation	761	891
Creditors	**31,113**	**31,385**
Amounts payable after one year	**2,789**	**3,337**
A. Financial debts	2,779	3,328
1. Debts from leasing agreements	-	-
2. Credit institutions	*2,779*	*3,328*
B. Other amounts payable	10	9
Amounts payable within one year	**22,095**	**24,905**
A. Current portion of amounts payable after one year	1,095	1,759
B. Financial debts	-	-
C. Trade debts	11,874	7,803
1. Suppliers	*11,874*	*7,803*
D. Advances received on orders	678	3,191
E. Taxes, remuneration and social security	8,341	5,308
1. Taxes	*1,499*	*850*
2. Remuneration and social security	*6,842*	*4,459*
F. Other amounts payable	107	6,844
Accrued charges and deferred income	**6,229**	**3,143**
TOTAL LIABILITIES	**190,047**	**161,460**

*The 2020 figures have been updated with the results allocation approved by the Ordinary General Meeting of 18 May 2021

APPENDIX TO PARENT COMPANY FINANCIAL STATEMENTS

Capital as of December 31, 2021 (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, 2021		1,274,979
Dematerialized shares – as of December 31, 2021		13,052,045
B. Treasury shares held by the company itself	**19,150**	**925,140**
C. Commitments to issue shares		
1. Following the exercise of subscription rights		
- Number of outstanding subscription rights		456,432
- Amount of capital to be issued	9,078	
- Maximum number of shares to be issued		456,432
D. Amount of authorized capital, not issued	**1,170**	