



NEWS RELEASE

Haivision Announces Results for the Three Months Ended January 31, 2024

3/14/2024

Year-over-year revenue and Adjusted EBITDA continues its path of growth

MONTREAL, March 14, 2024 /CNW/ - **Haivision Systems Inc.** ("Haivision" or the "Company") (TSX: HAI), a leading global provider of mission critical, real-time video networking and visual collaboration solutions, today announced its results for the first quarter ended January 31, 2024.

This quarter's performance was noteworthy on a couple of fronts," said Mirko Wicha, Chairman and CEO of Haivision. Not only did we realize another record in terms of first quarter revenue performance, but if we factor our exit from the HoW managed services business, year-over-year organic growth rate was 6.5% - significantly better than the recent growth rate of comparable companies in the video infrastructure space."

Q1 2024 Financial Results

- Revenue of \$34.6 million, an increase of 6.5% when normalized for the exit from the managed services business.
- Gross Margins* were 72.9%, a notable improvement from 66.6% for the same prior year period.
- Total expenses were \$22.9 million, a decrease of \$0.8 million, from the same prior year period.
- Operating income was \$2.3 million, a \$3.3 million or 330% improvement from the same prior year period.
- Adjusted EBITDA* was \$5.2 million, a \$3.1 million or 145% improvement from the same prior year period.
- Adjusted EBITDA Margins* was 14.9%, a notable improvement when compared to 6.2% for the same prior year period.

- Net income was \$1.3 million, a \$2.7 million or 193% improvement from the same prior year period.

Key Company Highlights

- Showcased Haivision Command 360 Haivision's next generation video collaboration solution, at the Integrated Systems Europe (ISE) Conference in Barcelona.
- Successful deployment of Haivision live video contribution solutions for coverage of the TCS New York City Marathon and NOBULL Crossfit Games.
- Haivision won the prestigious IBC Innovation Award 2023 in the Content Creation Category for its role as technical partner in the BBC's coverage of the Coronation of King Charles III.
- Haivision's Makito X4 awarded "Single- or Dual-Stream Encoding Hardware" and "Best On-Prem Encoding/Transcoding Solution" at the 2023 Streaming Media Readers' Choice Awards.
- Haivision welcomed NVIDIA to the SRT Alliance, with SRT Alliance membership at over 600 members.
- Announced strategic partnerships with CP Communications, Flypack, RF Wireless Systems, and Vidovation to extend Haivision mobile video transmitters rental services into North America.
- Joined the Panasonic Partner Alliance for live video production workflows with Kairos and partnered with Grabyo, a London-based live cloud production platform, bringing broadcasters a fully integrated solution for live multi-camera production.
- TVB Europe Magazine selected Haivision Pro 460 transmitter as "Best of Show" at IBC 2023 for innovation, feature set, cost efficiency and performance.
- TV Tech publication awards the Haivision Pro 460 its Product Innovation Award for 2023 - for technical excellence in M&E solutions.
- Haivision Command 360 wins DSEI Four-Star Best in Show award for Real-time Data Sharing at DSEI 2023 show in London, England.

"We continue to be focused on improving operational efficiency and demonstrating the earning potential of the business through our improving Adjusted EBITDA margins*" said Dan Rabinowitz, Chief Financial Officer and EVP, Operations. Total expenses held steady from last quarter resulting in an Adjusted EBITDA margin* of 14.9%. We still expect to generate similar, if not better, returns for the remainder of the year as revenues continue to improve in the second half of the year."

Financial Results

Revenue for the three months ended January 31, 2024 was \$34.6 million, a modest increase of \$0.5 million, when compared to the prior year comparative period. In the same period, revenue from cloud solutions declined by \$1.6 million attributed to our decision to exit the managed services business. Excluding cloud solutions, year-over-year revenue increased by 6.5%. Gross Margin* for the three months ended January 31, 2024 was 72.9% compared to

66.6% for the prior year comparable periods. Gross Margin* were positively impacted by our decision to exit the managed services business decreases in the incremental costs of components procured during the worldwide component shortage, and supply chain improvements at acquired entities. Total expenses for the three months ended January 31, 2024 was \$22.9 million representing a decrease of \$0.8 million from the prior year comparative period as the financial impact of our restructuring efforts have taken hold.

The result of Gross Margin* improvements and lower total expenses, operating income for the three months ended January 31, 2024 was \$2.3 million an improvement of \$3.3 million from the operating loss of \$1.0 million in the prior year. Adjusted EBITDA* for the three months ended January 31, 2024, was \$5.2 million representing an increase of \$3.1 million or 146% from the prior year comparative period. Adjusted EBITDA Margins* for the three months ended January 31, 2024, was 14.9% compared to 6.2% in the prior year comparative period. Net income for the three months ended January 31, 2024, was \$1.3 million representing an increase of \$2.7 million from the prior year net loss of \$1.4 million.

Measures followed by the suffix "" in this press release are non-IFRS measures. For the relevant definition, see "Non-IFRS Measures" below. As applicable, a reconciliation of this non-IFRS measure to the most directly comparable IFRS financial measure is included in the tables at the end of this press release and in the Company's management's discussion and analysis for the three months ended January 31, 2024.

Conference Call Notification

Haivision will hold a conference call to discuss its fourth quarter financial results on Thursday, March 14, 2024 at 5:15 pm (ET). To register for the call, please use this link <https://registrations.events/direct/Q4I980420>. After registering, a confirmation will be sent through email, including dial in details and unique conference call codes for entry.

Financial Statements, Management's Discussion and Analysis and Additional Information

Haivision's consolidated financial statements for the first quarter ended January 31, 2024 (the "Q1 Financial Statements"), the management's discussion and analysis thereon and additional information relating to Haivision and its business can be found under Haivision's profile on SEDAR+ at www.sedarplus.ca. The financial information presented in this release was derived from the Q1 Financial Statements.

Forward-Looking Statements

This release includes "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable securities laws, including, without limitation, statements

regarding the Company's growth opportunities and its ability to execute on its growth strategy. In some cases, but not necessarily in all cases, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking statements. Forward-looking statements are not historical facts, nor guarantees or assurances of future performance but instead represent management's current beliefs, expectations, estimates and projections regarding future events and operating performance.

Forward-looking statements are necessarily based on opinions, assumptions and estimates that, while considered reasonable by Haivision as of the date of this release, are subject to inherent uncertainties, risks and changes in circumstances that may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ, possibly materially, from those indicated by the forward-looking statements include, but are not limited to, the risk factors identified under "Risk Factors" in the Company's latest annual information form, and in other periodic filings that the Company has made and may make in the future with the securities commissions or similar regulatory authorities in Canada, all of which are available under the Company's SEDAR+ profile at www.sedarplus.ca. These factors are not intended to represent a complete list of the factors that could affect Haivision. However, such risk factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. You should not place undue reliance on forward-looking statements, which speak only as of the date of this release. Haivision undertakes no obligation to publicly update any forward-looking statement, except as required by applicable securities laws.

Non-IFRS Measures

Haivision's consolidated financial statements for the first quarter ended January 31, 2024 are prepared in accordance with International Financial Reporting Standards ("IFRS"). As a compliment to results provided in accordance with IFRS, this press release makes reference to certain (i) non-IFRS financial measures, including "EBITDA", and "Adjusted EBITDA", (ii) non-IFRS ratios including "Adjusted EBITDA Margin", and (iii) supplementary financial measures including "Gross Margins" (collectively "**non-IFRS measures**"). These non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, these measures should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS. Rather, these non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely

on IFRS measures. We also believe that securities analysts, investors, and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. For information on the most directly comparable financial measure disclosed in the primary financial statements of Haivision, composition of the non-IFRS measures, a description of how Haivision uses these measures and an explanation of how these measures provide useful information to investors, refer to the "Non-IFRS Measures" section of the Company's management's discussion and analysis for the three months ended January 31, 2024, dated March 14, 2024, available on the Company's SEDAR+ profile at www.sedarplus.ca, which is incorporated by reference into this press release. As applicable, the reconciliations for each non-IFRS measure are outlined below. Non-IFRS measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of the Company's performance, liquidity, cash flow and profitability.

About Haivision

Haivision is a leading global provider of mission-critical, real-time video streaming and visual collaboration solutions. Our connected cloud and intelligent edge technologies enable organizations globally to engage audiences, enhance collaboration, and support decision making. We provide high quality, low latency, secure, and reliable live video at a global scale. Haivision open sourced its award-winning SRT low latency video streaming protocol and founded the SRT Alliance to support its adoption. Awarded four Emmys® for Technology and Engineering from the National Academy of Television Arts and Sciences, Haivision continues to fuel the future of IP video transformation. Founded in 2004, Haivision is headquartered in Montreal and Chicago with offices, sales, and support located throughout the Americas, Europe, and Asia. Learn more at haivision.com.

Thousands of Canadian dollars (except per share amounts)

	Three months ended January 31,	
	2024	2023
	(\$)	(\$)
Revenue	34,579	34,066
Cost of sales	9,386	11,394
Gross profit	25,193	26,672
Expenses		
Sales and marketing	6,655	7,406
Operations and support	3,996	3,727
Research and development	7,028	7,487
General and administrative	4,891	4,697
Share-based payment	348	375
	22,918	23,692

Operating income (loss)	2,275	(1,021)
Financial expenses	299	604
Income (Loss) before income taxes	1,976	(1,625)
Income taxes		
Current	839	(324)
Deferred	(140)	121
	699	(203)
Net Income (loss)	1,277	(1,421)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(2,576)	752
Comprehensive loss	(1,299)	(670)
Net income (loss) per share		
Net income (loss) per share (basic and diluted)	\$0.04	(\$0.05)
Weighted average number of shares outstanding		
Basic	29,029,978	28,884,924
Diluted	30,189,088	28,884,924

Thousands of Canadian dollars

	As at	
	January 31, 2024	October 31, 2023
	\$	\$
Assets		
Current assets		
Cash	13,043	8,285
Trade and other receivables	17,770	26,113
Investment tax credits receivable	2,749	2,238
Inventories	16,673	18,930
Prepaid expenses	4,504	4,043
	54,739	59,609
Property and equipment	3,853	3,900
Right-of-use assets	6,855	7,494
Intangible assets	15,554	17,668
Goodwill	44,954	46,219
Non-refundable investment tax credits receivable	5,870	5,602
Deferred income taxes	3,606	3,599
	80,692	84,482
	135,431	144,091
Liabilities		
Current liabilities		
Credit facility	3,650	4,685
Trade and other payables	12,011	17,534
Restructuring costs payable	68	240
Purchase price payable	202	204
Income taxes payable	1,458	659
Current portion of lease liabilities	1,648	1,688
Current portion of term loans	1,119	964
Deferred revenue	12,333	12,104
	32,489	38,078
Lease liabilities	6,185	6,738
Long term debt	1,643	2,101
Deferred revenue	3,413	3,021

	43,730	49,938
Equity		
Share capital	91,356	90,902
Retained earnings	(8,660)	(9,997)
Stock option reserve	3,629	5,295
Cumulative translation adjustment	5,376	7,953
	91,701	94,153
	135,431	144,091

Thousands of Canadian dollars

	Three months ended January 31,	
	2024	2023
	(\$)	(\$)
Net Income (loss)	1,277	(1,421)
Income Taxes	699	(203)
Income (loss) before income taxes	1,976	(1,625)
Depreciation	838	778
Amortization	1,708	1,969
Financial expenses	299	604
EBITDA(1)	4,821	1,726
Share-based payment (LTIP)	348	376
Adjusted EBITDA(1)	5,169	2,102
Adjusted EBITDA Margin(1)	14.9 %	6.2 %

Note:

(1) Non-IFRS measure. See "Non-IFRS Measures."

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