



EVS BROADCAST EQUIPMENT SA
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Company Number: 452.080.178 (RPM Liège)

**SPECIAL REPORT BY THE BOARD OF DIRECTORS OF
EVS BROADCAST EQUIPMENT SA TO THE EXTRAORDINARY GENERAL
MEETING OF SHAREHOLDERS TO BE HELD ON
18 MAY 2021 AT ITS REGISTERED OFFICE
SPECIAL REPORT ESTABLISHED IN ACCORDANCE WITH
ARTICLE 7:199 OF THE CODE OF COMPANIES AND ASSOCIATIONS
CONCERNING AUTHORISED CAPITAL**

This special report is established in accordance with the provisions of Article 7:199 of the Code of Companies and Associations (the CCA), which requires a special report to be established when the Board of Directors proposes to the general meeting that it be authorised to increase the capital or to renew such authorisation. This report must describe the specific circumstances in which the Board of Directors may use the authorised capital and the objectives it will pursue in doing so.

1. History

According to the resolution passed by the Extraordinary General Meeting on 4 December 2017, the Board of Directors is authorised to increase the capital on one or more occasions up to a maximum amount of EUR 1,600,000 (one million six hundred thousand euros), excluding issue premium, for a period of five years, with or without cancellation of the preferential right. This authorisation became effective as of 15 January 2018 and will expire on 15 January 2023. The authorised capital procedure was used on 26 December 2018, as a result of which the capital now amounts to EUR 8,772,323 (eight million seven hundred and seventy-two thousand three hundred and twenty-three euros).

2. Proposal (i) to abolish the current general authorisation and to renew the authorisation to the Board of Directors to increase the capital within the framework of Article 7:198 of the Code of Companies and Associations and (ii) to grant an authorisation to the Board of Directors to increase the capital within the framework of Article 7:202 of the Code of Companies and Associations

The Board of Directors proposes to cancel the authorisation granted to the Board of Directors on 4 December 2017, according to the minutes published in the Appendices to the Belgian Official Gazette dated 15 January 2018, under number 18010526, subject to the condition precedent of the publication in the Appendices to the Belgian Official Gazette of the new authorisation to be granted by the Extraordinary General Meeting on 18 May 2021 (or, if applicable, in case of postponement on 7 June 2021) to the Board of Directors to increase the capital within the framework of Article 7:198 of the Code of Companies and Associations. This proposal implies the cancellation of the unused balance of the authorised capital existing on the date of publication in

the Appendices to the Belgian Official Gazette of the minutes of the Extraordinary General Meeting, under the same conditions precedent.

The Board of Directors proposes, in accordance with Article 7:199 of the Code of Companies and Associations, to renew the authorisation given to the Board of Directors in Article 7 of the Articles of Association, to increase the capital on one or more occasions up to a maximum amount of EUR 1,600,000 (one million six hundred thousand euros), excluding the issue premium, for a further period of five (5) years from the date of publication in the Appendices to the Belgian Official Gazette of the minutes of the Extraordinary Shareholders' Meeting which will be held on 18 May 2021 (or, if applicable, in case of postponement on 7 June 2021).

The Board of Directors further proposes to grant the Board of Directors a special authorisation to proceed with capital increases within the framework of Article 7:202 of the Code of Companies and Associations, after receipt of the communication from the Financial Services and Markets Authority that it has received a notice of a public takeover bid for it and until the closing of the bid in accordance with the terms and conditions set out below, this resolution to be valid for a period of three (3) years from the decision of the Extraordinary General Meeting to be held on 18 May 2021 (or, if applicable, in case of postponement on 7 June 2021).

The Board of Directors shall also seek authorisation, under the same conditions, to issue convertible bonds or subscription rights.

The Board of Directors shall request the right to cancel or limit the preferential rights of the shareholders, including in favour of one or more specific persons, even other than staff members.

The capital increases resolved within the framework of the authorised capital may be realised by subscription in cash, by contribution in kind, by incorporation of reserves or issue premiums, in compliance with the rules prescribed by the Code of Companies and Associations and the articles of association.

Where a capital increase by subscription in cash includes a share premium, the amount of the share premium must be recorded and maintained in a separate account or accounts under shareholders' equity on the liabilities side of the balance sheet. The Board of Directors shall have the power to determine the amount of the share premium.

The specific circumstances in which the authorised capital may be used and the objectives pursued are explained hereinafter.

3. Circumstances of use and objectives to be pursued

The Board of Directors of the Company may make use of the authorised capital whenever it considers that it is not appropriate to convene an Extraordinary General Meeting of Shareholders of the Company to decide on an increase of the Company's capital, either because of the time and formalities to be complied with and/or the costs involved in convening such a meeting.

It is difficult to be exhaustive on the circumstances of use of the authorised capital, but the renewal of the authorised capital will offer the Company the possibility to have flexibility and financial autonomy allowing it to, in particular:

- (i) to react quickly to and take advantage of any market opportunities which may arise,
- (ii) to finance new investments from its own funds which are in line with its strategy and create value for shareholders (while remaining independent of the major financial institutions),
- (iii) to respond to capital market developments while keeping its debt level under control,
- (iv) to set up staff incentive plans,
- (v) to offer an optional dividend to shareholders,
- (vi) to protect the interests of the Company and its shareholders, in particular in the event of abnormal or hostile movements in the Company's shares,
- (vii) to protect the Company against a takeover bid deemed to be contrary to the interests of the Company.

The technique of using the authorised capital offers the Company flexibility and speed, which may be useful or opportune within the context of financing acquisitions in particular. The relatively complex, costly and time-consuming procedure for a listed company to convene an extraordinary general meeting to pass a resolution on a capital increase could in some circumstances be irreconcilable with certain fluctuations in the financial markets or with the developments which the Company may face and be detrimental to the Company. By virtue of the authorised capital, the Company will therefore have the possibility to increase its equity in a fast and efficient way, reducing the formalities involved in a capital increase decided by the general meeting.

It is also clear that the fundamental criterion for action will always be the pursuit of the company's interests.

The Board of Directors wishes expressly to state that the authorised capital may be used for the operations referred to in Article 7:200 of the Code of Companies and Associations, namely:

- capital increases or issues of convertible bonds or subscription rights in which the preferential rights of shareholders are limited or waived,
- capital increases or issues of convertible bonds in which the preferential rights of shareholders are limited or waived in favour of one or more specific persons other than the staff members of the Company or its subsidiaries,
- capital increases effected by capitalisation of reserves.

The Board of Directors wishes expressly to state that the authorised capital may also be used as indicated in Article 7:202 of the Code of Companies and Associations after the Company has received notification from the Financial Services and Markets Authority that it has received a notice of a public takeover bid for the Company and until the closing of such bid. If it is required to make use of this authorisation, the Board of Directors of the Company shall comply with the conditions prescribed by Article 7:202, paragraph 2, of the Code of Companies and Associations, namely that:

- the shares issued as a result of the said capital increase shall be fully paid up upon issue,
- the issue price of such shares shall not be less than the offer price, and
- the number of shares issued in the said capital increase shall not exceed 10% of the securities representing the capital issued before the capital increase.

This report shall remain valid in case of postponement of the Extraordinary General Meeting due to a lack of quorum, which would postpone the Extraordinary General Meeting to 7 June 2021.

Liège, 7 April 2021

For the Board of Directors

House of Value – Advisory and Solutions,
represented by Johan Deschuyffeleer
President & Director

Mr. Michel Counson
Managing Director