



EVS BROADCAST EQUIPMENT SA
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**SPECIAL REPORT BY THE BOARD OF DIRECTORS OF
EVS BROADCAST EQUIPMENT SA TO THE EXTRAORDINARY GENERAL
MEETING OF SHAREHOLDERS TO BE HELD ON
17 MAY 2022 AT ITS REGISTERED OFFICE
SPECIAL REPORT ESTABLISHED IN ACCORDANCE WITH
ARTICLE 7:199 OF THE CODE OF COMPANIES AND ASSOCIATIONS
CONCERNING AUTHORISED CAPITAL**

For information purpose only – unofficial translation – French original wording prevails

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 December 4, 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 January 15, 2018 and will expire on January 15, 2023. The authorised capital procedure was used on December 26, 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 to abolish the current general authorisation and to renew the authorisation to the Board of Directors to increase the capital up to a maximum amount of EUR 1,600,000 (alternatively, EUR 877,200), excluding issue premium within the framework of article 7:198 and following of the CCA

The Board of Directors proposes to cancel the authorisation granted to the Board of Directors on December 4, 2017, according to the minutes published in the Appendices to the Belgian Official Gazette dated January 15, 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 May 17, 2022 (or, in case of lack of quorum, on June 7, 2022) to the Board of Directors to increase the capital within the framework of article 7:198 of the CCA. 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 to renew, in accordance with article 7:199 of the CCA, 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, 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 Meeting of Shareholders which will be held on May 17, 2022 (or, in case of lack of quorum, on June 7, 2022).

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 CCA 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.

If the proposal to renew the existing authorization to the Board of Directors to increase the capital by a maximum amount of EUR 1,600,000 excluding issue premium does not receive the required majority, the Board of Director alternatively proposes to grant, in compliance with article 7:198 of the CCA, an authorisation to the Board of Directors to increase the capital on one or more occasions up to a maximum amount of EUR 877,200, excluding the issue premium, for a new period of five (5) years from the date of publication in the Appendices to the Belgian Official Gazette of the minutes of the Extraordinary Meeting of Shareholders which will be held on May 17, 2022 (or, in case of lack of quorum, on June 7, 2022).

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) react quickly to and take advantage of any market opportunities which may arise,
- (ii) 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) respond to capital market developments while keeping its debt level under control,
- (iv) set up staff incentive plans,
- (v) offer an optional dividend to shareholders,
- (vi) protect the interests of the Company and its shareholders, in particular in the event of abnormal or hostile movements in the Company's shares.

The technique of using the authorised capital offers the Company flexibility and speed, which may be useful or opportune notably within the context of financing acquisitions. 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 CCA, 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.

4. Propositions de vote

The Board of Directors proposes that shareholders vote in favor of the following proposals:

- a. Special Report pursuant to Section 7:199 of the CAC
- b. 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 May 17, 2022 (or, in case of lack of quorum, on June 7, 2022) to the Board of Directors to increase the capital within the framework of article 7:198 of the CCA in accordance with items c) and d) (or, alternatively, items e) and f)), to cancel the authorisation granted to the Board of Directors on December 4 2017, according to the minutes published in the Appendices to the Belgian Official Gazette dated January 15, 2018, under number 18010526,. 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 condition precedent;
- c. To renew, in accordance with article 7:199 of the CCA, 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, 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 Meeting of Shareholders which will be held on May 17, 2022 (or, in case of lack of quorum, on June 7, 2022).
- d. To replace article 7 of the Articles of Association by the following text:

« Authorised capital

According to the resolution passed by the extraordinary general meeting of shareholders of May 17, 2022 (or, in case of lack of quorum, of June 7, 2022), the Board of Directors is authorised to increase the capital in one or more instalments up to a maximum amount of ONE MILLION SIX HUNDRED THOUSAND EUROS (EUR 1,600,000), excluding the issue premium.

These capital increases may be carried out by subscriptions in cash, contributions in kind, or incorporation of reserves or issue premiums, with or without the creation of shares.

Within the limits of this authorisation, the Board of Directors may issue bonds convertible into shares or subscription rights, in compliance with the provisions of articles 7:198 et seq. of the Belgian Companies and Associations Code.

In the case of a capital increase with share premiums, these must be entered and maintained in one or more separate accounts under shareholders' equity on the liabilities side of the balance sheet.

Similarly, in the event of an issue of subscription rights, their issue price must be entered and maintained in one or more separate accounts under shareholders' equity on the liabilities side of the balance sheet.

On the occasion of any issue of shares, convertible bonds or subscription rights, the Board of Directors may limit or cancel the preferential subscription rights of the shareholders, including in favour of one or more specific persons other than staff members, in accordance with the terms and conditions to be determined by the Board of Directors and subject to compliance with the provisions of articles 7:198 et seq. of the Belgian Companies and Associations Code.

This general authorisation is valid for a period of five (5) years from the publication of the resolution of May 17, 2022 (or, in case of lack of quorum, of June 7, 2022) and is renewable.

The Board of Directors shall be entitled to have the amendment to the Articles of Association resulting from the use of the authorisations granted by this article duly recorded. »

- e. If proposals c) and d) do not obtain the required majority, proposal to grant, in accordance with article 7:199 of the CAC, an authorization to the Board of Directors to increase the capital in one or more instalments up to a maximum amount of EUR 877,200, excluding issue premium, all other conditions provided for in the current article 7 of the Articles of Association remaining unchanged, for a further period of five (5) years from the publication in the Appendices to the Belgian Official Gazette of the resolution of May 17, 2022 (or, in case of lack of quorum, of June 7, 2022).
- f. To replace article 7 of the Articles of Association by the following text:

« Authorised capital

According to the resolution passed by the extraordinary general meeting of shareholders of May 17, 2022 (or, in case of lack of quorum, of June 7, 2022), the Board of Directors is authorised to increase the capital in one or more instalments up to a maximum amount of EIGHT HUNDRED SEVENTY-SEVEN THOUSAND TWO HUNDRED EUROS (EUR 877,200), excluding the issue premium.

These capital increases may be carried out by subscriptions in cash, contributions in kind, or incorporation of reserves or issue premiums, with or without the creation of shares.

Within the limits of this authorisation, the Board of Directors may issue bonds convertible into shares or subscription rights, in compliance with the provisions of articles 7:198 et seq. of the Belgian Companies and Associations Code.

In the case of a capital increase with share premiums, these must be entered and maintained in one or more separate accounts under shareholders' equity on the liabilities side of the balance sheet.

Similarly, in the event of an issue of subscription rights, their issue price must be entered and maintained in one or more separate accounts under shareholders' equity on the liabilities side of the balance sheet.

On the occasion of any issue of shares, convertible bonds or subscription rights, the Board of Directors may limit or cancel the preferential subscription rights of the shareholders, including in favour of one or more specific persons other than staff members, in accordance with the terms and conditions to be determined by the Board of Directors and subject to compliance with the provisions of articles 7:198 et seq. of the Belgian Companies and Associations Code.

This general authorisation is valid for a period of five (5) years from the publication of the resolution of May 17, 2022 (or, in case of lack of quorum, June 7, 2022) and is renewable.

The Board of Directors shall be entitled to have the amendment to the Articles of Association resulting from the use of the authorisations granted by this article duly recorded. »

This report remains valid in the event of postponement of the Extraordinary General Meeting of May 17, 2022 due to a lack of quorum, which would postpone the meeting to June 7, 2022.

Liège, April 1st, 2022

For the Board of Directors,

House of Value – Advisory and Solutions,
Represented by par Johan Deschuyffeleer
President and Director

Michel Counson
Managing Director