



EVS BROADCAST EQUIPMENT S.A.
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Company number (RPM Liège): 452.080.178

**REPORT OF THE BOARD OF DIRECTORS PREPARED IN ACCORDANCE WITH
ARTICLES 7:180, 7:191 ET 7:193 OF THE BELGIAN COMPANIES AND
ASSOCIATIONS CODE CONCERNING THE ISSUANCE OF SUBSCRIPTION
RIGHTS (“WARRANTS”) WITH CANCELLATION OF THE PREFERENTIAL
SUBSCRIPTION RIGHT IN FAVOR OF MEMBERS OF STAFF AND SPECIFIED
PERSONS**

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

1. CONTEXT

To enable the motivation of the staff members of the public limited company EVS Broadcast Equipment (the "Company" or "EVS") and its subsidiaries within the meaning of article 1:27 of the Belgian Companies and Associations Code (the "CAC"), as well as of persons who, without necessarily being staff members of EVS or of its subsidiaries, are either a permanent representative or partner or controlling shareholder of a staff member (a legal entity bound by a management or similar agreement), either bound to one of the companies of the EVS group by a contract for the provision of services of a consultancy type, or permanent representative or partner or controlling shareholder of a company linked to one of the companies of the EVS group by a contract for the provision of services of a consultancy type (hereinafter the "Providers"), the Board of Directors of the Company proposes to issue 250,000 subscription rights with the possibility for the Board of Directors to allocate existing shares (treasury shares) or new shares in case of exercise ("Warrants"), with cancellation of the preferential subscription rights of the existing shareholders of the Company, in favor of members of the personnel of the EVS group and of certain Providers, subject to their effective allocation to the beneficiaries.

This report is prepared in accordance with Articles 7:180, 7:191 and 7:193 of the CAC in the context of this proposal.

2. SPECIFICITIES OF WARRANTS

The Company reserves the right to allocate existing shares (treasury shares) and not new shares in case of exercise of the Warrants.

The proposed issue can therefore be seen as relating to financial instruments of a specific nature ("*sui generis*"), as these can give rise, at the discretion of the Board of Directors, either to a capital increase and to the allocation of new shares, or to the allocation of existing shares (treasury shares) upon exercise of the Warrants. Depending on the decision of the Board of Directors, the Warrants are therefore to be considered as subscription rights within the meaning of the CAC or as stock options.

The Board of Directors wishes to point out that the CAC does not provide a regime applicable to such financial instruments. The Company has decided to follow for the proposed issue the legal regime applicable to the issue of subscription rights. For ease of reference, the terminology "Warrants" is used in this report.

However, the Board of Directors wishes to emphasize once again that the Warrants will give rise to a capital increase upon exercise only if the Board of Directors does not decide to allocate existing shares.

The Board of Directors will decide on a sovereign and case-by-case basis whether the exercise of the Warrants will result in the allocation of existing shares or in the issue of new shares, while informing the shareholders of the extent to which the exercises over the past years have resulted in the allocation of existing shares.

3. PURPOSE OF THE TRANSACTION

The Board of Directors has decided at its meeting of March 28, 2024 to convene the shareholders of the Company to an Extraordinary General Meeting of Shareholders on May 21, 2024 or, in case of lack of quorum, on June 10, 2024, in order to, inter alia, issue a maximum of 250,000 Warrants, subject to their effective allocation to the beneficiaries.

The Board of Directors wishes to reserve the benefit of these Warrants to the persons to be determined by the Board of Directors from among the staff members of EVS and its subsidiaries within the meaning of article 1:27 of the CAC, as well as from among the following Persons: InnoVision BV and its representative Serge Van Herck, WeMagine SRL and its representative Veerle De Wit, Openiris Ltd and its representative Alexander Redfern, Tols BV and its representative Xavier Orri Sáinz De Los Terreros, Ikaro SRL and its representative Nicolas Bourdon, M2C SRL and its representative Pierre Matelart, RCG SRL and its representative Quentin Grutman, Euscopia.NET SRL and its representative Benoit Quiryren, Flashbackx Consultancy BV and its representative Dieter Backx, Coveloz Consulting Ltd and its representative Nestor Amaya, Manuel Alejandro Rios Ceron, Bruno Pessoa da Silva, Vegard Aandahl, Swapnil Almeida, Gustavo Bonfietti, Ana Martingano, Jean-Bernard Lebon, Oscar Teran, Benjamin Quoilin and Ho Yin Law. (the "New Beneficiaries").

The exact identity of the New Beneficiaries and the number of Warrants offered to each of them will be determined by the Board of Directors from among the aforementioned persons based on the results of the Company and the performance of the persons concerned.

The sole fact of being a member of the personnel of EVS and its subsidiaries within the meaning of article 1:27 of the CAC or of being included in the list of New Beneficiaries does not confer the right to be granted Warrants, which still depends on a further decision of the Board of Directors.

4. INTEREST OF THE TRANSACTION FOR THE COMPANY

The plan to issue Warrants is considered to be an essential tool for retaining and motivating staff members and persons connected with EVS in the economic and financial performance of the group. The Board of Directors intends to continue the previous operations and to continue to offer Warrants to staff members and persons providing services to the EVS group.

5. STATUS OF THE PREVIOUS ISSUES

Since December 1999, the Company has set up a warrant program for beneficiaries. In accordance with current tax legislation, the plan has a minimum period of 3 to 4 years between granting and exercise, without taking into account the possibilities offered by the legislator to extend the exercise periods. This policy of distributing warrants has been put in place in order to build loyalty among beneficiaries and to involve them in the Company's results. The program is covered by the purchase by EVS of its own shares on the stock market. The purchase of treasury shares has been authorized on several occasions for a period of 5 years, the last time by the Extraordinary General Meeting of June 7, 2022.

At the Extraordinary General Meetings of September 7, 1999 and May 16, 2000, 400,000 Warrants (amount recalculated after the 2004 stock split) were issued to beneficiaries linked to the EVS Group. The Extraordinary General Meetings of May 21, 2002 (350,000 Warrants), June 7, 2010 (250,000 Warrants), December 5, 2011 (350,000 Warrants), September 24, 2013 (25,000 Warrants issued and 70,000 Warrants cancelled), December 4, 2017 (250,000 Warrants), June 8, 2020 (250,000 Warrants) and June 5, 2023 (250,000 Warrants) proceeded to the issuance of additional Warrants in order to bring the total number of Warrants to 2,055,000. As of March 27, 2024, 1,854,150 Warrants had been distributed, 716,800 exercised and 729,550 cancelled (following a decision of the General Meeting, departures or repurchased following the divestiture of subsidiaries), so that

there are 407,800 Warrants outstanding and exercisable in the coming years. As a corollary, 200.850 Warrants are still distributable by the Board of Directors at the same date.

In addition, EVS granted 183,375 Stock Options on September 29, 2022, from which 750 have been cancelled in 2023, so that there are 182,625 Stock Options outstanding and exercisable in 2026

The Warrants and Stock Options outstanding as of March 27, 2024 and exercisable over the next few years are as follows:

Expiry date	Exercise price (EUR)	Number as of March 27, 2024
2026	13.69	56,300
2027	18.21	152,600
2028	18.62	182,625
2029	25.85	198,900
Total	Between 13.69 and 25.85	590,425

It should be noted that the exercise prices of the 2020, 2021, 2022 and 2023 Warrants plans are lower than the market price of the EVS share on the date of approval by the Board of Directors of EVS of this report, i.e. EUR 33.25 (27/03/2024).

6. CANCELLATION OF THE PREFERENTIAL SUBSCRIPTION RIGHT

The Board of Directors proposes that, in the interest of the Company, the issue of the above-mentioned Warrants and the possible subsequent capital increases take place with cancellation of the preferential subscription right of the existing shareholders in favor of the New Beneficiaries.

The purpose of the issue by the Company of Warrants is indeed

- to motivate the staff members of the EVS group and the Providers of services to the EVS group in order to accelerate the development of the latter;
- to encourage the staff members of the EVS group and the Providers of services for the benefit of the EVS group to achieve the objectives set;
- to incentive the staff members of the EVS group and the Providers of services for the benefit of the EVS group by giving them the possibility of realizing an increase in value on their EVS shares thanks to the efforts made to increase the value of the EVS share.

The issue of the Warrants reserved to the New Beneficiaries therefore necessarily implies the suppression of the preferential right of the existing shareholders.

The Board of Directors wishes to draw the attention to the fact that the cancellation of the preferential subscription right is realized exclusively in favor of the New Beneficiaries and primarily to the staff members.

7. TERMS AND CONDITIONS OF ISSUE OF THE WARRANTS

Number of Warrants to be issued	Depending on the actual subscriptions and acquisitions, maximum 250,000 (two hundred and fifty thousand) Warrants.
Condition of the issue	Effective allocation of the Warrants to the New Beneficiaries.
Form of the Warrants	The Warrants are nominative and, once granted, recorded in the register of Warrant holders established by and kept at the registered office of the Company.
New Beneficiaries	To be determined by the Board of Directors among the staff members of EVS and its subsidiaries within the meaning of article 1:27 of the CAC as well as persons who, without being staff members of EVS or its subsidiaries, are either a permanent representative or partner or controlling shareholder of a staff member (a legal entity bound by a management or similar agreement), either bound to one of the companies of the EVS group by a contract for the provision of services of a consultancy type, or

	<p>permanent representative or partner or controlling shareholder of a company linked to one of the companies of the EVS group by a contract for the provision of services of a consultancy type (hereinafter the "Providers"): InnoVision BV and its representative Serge Van Herck, WeMagine SRL and its representative Veerle De Wit, Openiris Ltd and its representative Alexander Redfern, Tols BV and its representative Xavier Orri Sáinz De Los Terreros, Ikaro SRL and its representative Nicolas Bourdon, M2C SRL and its representative Pierre Matelart, RCG SRL and its representative Quentin Grutman, Euscopia.NET SRL and its representative Benoit Quiryne, Flashbackx Consultancy BV and its representative Dieter Backx, Covelo Consulting Ltd and its representative Nestor Amaya, Manuel Alejandro Rios Ceron, Bruno Pessoa da Silva, Vegard Aandahl, Swapnil Almeida, Gustavo Bonfietti, Ana Martingano, Jean-Bernard Lebon, Oscar Teran, Benjamin Quoilin and Ho Yin Law</p>
Price of the Warrants	Free of charge or against payment under conditions to be determined by the Board of Directors.
Granting Period of the Warrants	To be determined by the Board of Directors.
Quantity of warrants to be offered per New Beneficiary	To be determined by the Board of Directors for each New Beneficiary.
Exercise price of the Warrants	(i) the average of the closing prices of the EVS shares for the 30 days preceding the grant, or (ii) the last closing price preceding the day of the grant based on the method that the Board of Directors deems most representative of the value of the EVS shares at the relevant time.
Warrants exercise period	The Warrants may only be exercised as from the fourth calendar year following the date of grant, on one or more dates and under the conditions to be determined by the Board of Directors, within the limits set by the EVS Corporate Governance Charter. This period will expire in any event no later than ten (10) years from the date of issue of the warrants, in accordance with article 7:69 of the CAC.
Transfer of Warrants	Non-transferability inter vivos, except in case of (i) prior approval of the Board of Directors or (ii) transfer by a New Beneficiary in the form of a legal entity to its director or controlling shareholder who exercises a professional activity for the benefit of the Company or its subsidiaries.
Pledging of Warrants	Requires prior approval of the Board of Directors.
Rights conferred by the Warrants	Each Warrant entitles the holder to one newly issued share or one treasury share, at the discretion of the Board of Directors. The granted shares, whether new or existing (treasury), will have the same rights as all other outstanding shares.
Issue of new shares following the exercise of Warrants	In the event of an issue of new shares following the exercise of Warrants, the Company will issue them as soon as possible, taking into account the necessary administrative formalities. The Board of Directors or two directors authorized for this purpose shall confirm the resulting capital increase before a notary public, in accordance with the CAC. The Company shall arrange for the new shares issued as a result of the exercise of Warrants to be admitted to the market on which its shares are traded at the time of issue.
Right to dividends	Each share subscribed or acquired following the exercise of a Warrant will entitle its holder to the dividend declared after the date of allocation of the share.
Granting terms	The Board of Directors may determine the conditions for granting, retaining and exercising the Warrants.
Changes in the Company's capital structure	See below, point 8.

8. CHANGES IN THE COMPANY'S CAPITAL STRUCTURE

Notwithstanding Article 7:71 of the CAC, the Company can take all decisions it deems necessary within the framework of its capital or its articles of association, such as capital increases or reductions, the incorporation of reserves into the capital accompanied by the allocation of free shares, the issue of convertible bonds, bonds with Warrants, other Warrants or options the distribution of dividends in the form of securities or the modification of the representation of the capital, as well as all decisions modifying the provisions governing the distribution of profits or liquidation surpluses, even if these decisions could have the effect of reducing the benefits granted to the Warrant holders, unless such decisions clearly have such a reduction as their exclusive objective.

In the event of a merger or demerger of the Company, the Warrants not exercised at the date of such transaction, as well as the exercise price of such Warrants, will be modified in accordance with the exchange ratio applied to the existing shares of the Company in the context of such merger or demerger. In the event of a stock split or consolidation of the Company's shares, the number of shares to be received upon exercise of the Warrants will be adjusted accordingly to such stock split or consolidation.

In the event the Company carries out a capital increase by way of a contribution in cash before the final date foreseen for the exercise of the Warrants, the Warrant holders will not have the option to exercise their subscription right in advance in order to possibly participate in the new issue as shareholders, to the extent that this right belongs to the existing shareholders.

9. JUSTIFICATION OF THE ISSUE PRICE AND CONSEQUENCES OF THE TRANSACTION ON THE SHAREHOLDERS' ECONOMIC AND SOCIAL RIGHTS

The exercise price of the Warrants will be determined on the basis of the average of the closing prices of the thirty days preceding the grant or the last closing price preceding the day of the grant. This price will only be known at the time of grant.

The Board of Directors will choose one or the other of these methods at the time of the grant, depending on the method it deems most representative of the value of the EVS shares at the time.

These two methods also correspond to the methods referred to in article 43, §4 of the law of March 26, 1999 relating to the Belgian action plan for employment 1998 and containing various provisions, and are frequently used by listed companies to determine the value of their shares in the context of issuing subscription rights or granting stock options.

The Board of Directors therefore believes that these methods of determining the exercise price are justified in the interests of the Company.

In light of the foregoing, the consequences of the above-mentioned transaction on the patrimonial and social rights of the existing shareholders of the Company must be put into perspective. Indeed, a maximum of 250,000 shares will be created in case of exercise of the 250,000 Warrants. This assumes that, on the one hand, all beneficiaries exercise their Warrants and, on the other hand, that the Board of Directors of the Company decides to allocate exclusively new shares and not existing shares (treasury shares). 250,000 shares represent only 1.74% of the total number of shares of the Company, i.e. 14,327,024 shares.

The potential capital increase resulting from the exercise of all Warrants relates to a maximum number of 250,000 shares. The part of the subscription price corresponding to the fractional value of the share at the time of exercise of the Warrants will be allocated to capital and the surplus to additional paid-in capital.

For information purposes only, assuming that (i) the exercise price of the Warrants is EUR 33.50, (ii) all Warrants are effectively issued, (iii) all Warrants are exercised, and (iv) all Warrants give right to new shares, the transaction would result in an increase in equity of EUR 8,375,000, divided between EUR 153,073 in

capital (the accounting par value of the share is currently EUR 0.61229) and EUR 8,221,927 in share premium, and the total number of shares representing capital would be increased from 14,327,024 to 14,577,024. If, again by way of illustration, a dividend of 1 EUR per share is distributed before the creation of the new shares following the exercise of the Warrants, each shareholder would receive a dividend of 0.98 EUR after the creation of the said shares. A shareholder who currently holds 100,000 shares of the Company and, therefore, 0.70% of the voting rights would, after the creation of the new shares following the exercise of the Warrants, hold 0.69% of the voting rights. Finally, the proportion of each share in the Company's equity would increase from EUR 11.34 (calculated on the basis of the Company's equity as per December 31, 2023 [as resulting from the annual accounts to be submitted to the approval of the Ordinary Meeting of Shareholders of May 21, 2024] and the total number of shares of the Company as per the date of this report, i.e. 14,327,024 shares to 11.72 EUR (still calculated on the basis of the Company's shareholders' equity as per December 31, 2023 [as resulting from the annual accounts that will be submitted to the approval of the Ordinary Meeting of Shareholders of May 21, 2024] but taking into account the total number of shares of the Company after the creation of new shares following the exercise of the Warrants, i.e. 14,577,024 shares. The dilution and the consequences of the transaction on the shareholders' economic and social rights that would result from the creation of 250,000 new shares are therefore negligible.

Moreover, the financial dilution must be put into perspective, as it only results from a possible increase in the share price of EVS between the date of the grant of the Warrants and their subsequent exercise. Following the issue of these Warrants, the total maximum number of Warrants that can be exercised will amount to 858,650, i.e. 407,800 granted plus 200,850 available for grant plus 250,000 newly issued, i.e. still overall 5.9% of the shares.

Finally, as mentioned above and as the Company has practiced most of the time, the Company reserves the right to allocate existing shares (treasury shares) instead of issuing new shares in case of exercise of the Warrants. The exercise will probably result in the delivery of existing shares (treasury shares), as has been the case in recent years. In this case, the dilutive effect on the existing shareholding of the shareholders in the Company would be nil. On the other hand, the allocation of treasury shares will have a dilutive effect of 1.8% on the voting and dividend rights of existing shareholders (we have considered both the 2020 and 2021 plans for our calculations).

The group uses the transitional provisions of IFRS 2 on share-based payments, limiting its application to equity-settled transactions granted after November 7, 2002.

The cost of the Warrant plans is determined by reference to the fair value of the equity instruments granted at the grant date. The fair value is determined using the Black & Scholes model, taking into account the characteristics and conditions under which the instruments were granted. The cost of equity-settled transactions is recognized as an expense with a corresponding increase in equity, over a period ending on the probable exercise date.

If the Board of Directors decides to grant all 250,000 Warrants under this plan on the date of the Extraordinary General Meeting of May 21, 2024 (or June 10, 2024 in case of lack of quorum at the first meeting), the total cost would amount to approximately¹ EUR 1,446,927, i.e. 250,000 Warrants multiplied by a unit value of 5.7877 EUR, obtained by applying the Black & Scholes formula, representing approximately 17.4% of the value of the underlying, itself equivalent to the exercise price. Taking into account an amortization over a period of 3 years as prescribed by IFRS 2, the average annual charge would amount to approximately EUR 482,309 respectively.

This report remains valid in the event of postponement of the Extraordinary General Meeting of May 21, 2024 due to a lack of quorum, which would postpone the meeting to June 10, 2024.

¹ Based on an assessment on 27 March 2024

Liège, March 28, 2024

For the Board of Directors,

DocuSigned by:



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InnoVision BV,

Represented by Serge Van Herck
CEO and Managing Director

DocuSigned by:



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Accompany You SRL

Represented by Anne Cambier
Director