



Question	Answer
<p><b>Managers and employees will receive variable remuneration based on the achievement of predetermined and objectively measurable financial objectives. As we - as minority shareholders- have to approve these remunerations, we would like to know these financial objectives. Please share these with us.</b></p>	<p>Financial objectives are related for 2020 on the EBIT budget validated by the board of directors at the beginning of this year (prior to COVID-19 outbreak). There is currently no intention to review this budget for variable remuneration payout.</p>
<p><b>Suppose that 120% of the VROTE will be achieved, what does this mean as a total cost for EVS as a company (total amount and % of EBIT) ?</b></p>	<p>The VROTE payment would be around 120% when the EBIT target is overachieved at 107.5% of the target (for example 24.7m€ in 2019 instead of 23m€ reported). This would represent a total cost of 580k€ or +/- 100k€ more cost vs the VROTE payment with 23m€ of EBIT. (assuming also overachievement in the performance objectives for the leadership team)</p>
<p><b>Could you describe the "exceptional missions"? What exactly is this ? Please give some examples?</b></p>	<p>We are only referring to specific missions of the directors within the framework of their function as directors such as interviews of candidates for a new position within the management/board of directors of the company</p>
<p><b>You are issuing warrants, but there is the option to grant new shares or existing shares... Why leaving both options and not only opt for the own shares.</b></p>	<p>We prefer to leave both options open such as during the previous years.</p>



<p>In the annual report the CEO sounds quite optimistic about the future. "with great promise for the future" "confidence we will get back into long-term growth mode" We acknowledge it is important to be positive and to motivate all stakeholders. But can you describe how EVS will create long term added value for its shareholders? What are the prospects in the short/medium and long term for EVS' products and its own profitability? As the motto of the CEO is "Begin with the end in mind", what is the end for EVS ?</p>	<p>Our long term objective is to grow EVS in a profitable and sustainable way. Both organic growth as external growth will be used in order to grow our portfolio solution for the live production market. We are convinced that our market reputation and the detailed understanding of the various workflows our customers are using today and in the future, will on the one hand enable us to strengthen our position in the sports live production market and on the other hand will help us to increase our market share in the news and entertainment live production market. We do believe that this long term objective will also translate in additional value creation for our shareholders.</p>
<p>As many of your markets (live sports, live events) have been heavily impacted by the lockdown measures for Covid19, what are the prospects for the first half of 2020? Today, mid may you should have a good picture on H1 figures. What is your best guess for revenues and EBITDA in H1 2020 ?</p>	<p>As disclosed, our order book as of end April 2020 amounts to 39.6m€ of which about 80% should be recognized as revenues in H1 (+1.1m€ of revenues for big event rentals that took place early 2020).</p>
<p>Can you tell us more on PLAYForward? You have been brainstorming with 35 EVS colleagues from all over the world and analysed the strenghts and weaknesses of EVS, the industry trends and EVS' long term ambitions. Together you created a compelling picture for the future and are ready to play forward. It would be good that you share the results of this brainstorm with your (minority) shareholders, so they are informed the same way as the "insiders" (=management/top employees).</p>	<p>We refer to the slides presented to the financial markets available on <a href="https://evs.com/en/corporate/investor-relations/quarterly-news">https://evs.com/en/corporate/investor-relations/quarterly-news</a>.</p>



<p><b>Axon is projected to generate 6 to 10 million euro EBITDA by 2023. To what level of revenues does that refer? And can you explain a bit more what will drive this strong increase in profitability, because Axon has barely been profitable in the period 2016-2019.</b></p>	<p>The EBITDA contribution will come mainly from revenues synergies without increasing significantly the costs: expanding the geographic footprint (in NALA where Axon was not present for example), improved joint value proposition (generating more sales of Axon <u>and</u> legacy EVS products) and engaging key clients on future IP &amp; remote infra.</p>
<p><b>For Axon there is an earn out stipulated of 2.5 million euro based on which specific financial objectives to be reached in what year?</b></p>	<p>The earn out is based on the pre-merger AXON budget financial metrics for the year 2020.</p>
<p><b>You are willing to do other acquisitions and even willing to leverage the balance sheet of EVS. Do you have a maximum net debt/EBITDA leverage level in mind ? And what would then be your max amount to be spend on M&amp;A at max gearing level?</b></p>	<p>In general, a 2x Debt/EBITDA with deleveraging possibilities seems reasonable. But, the debt/EBITDA ratio would depend on the acquisition target contribution to EBITDA. If the target is generating significant EBITDA already, we could accept temporary a higher leverage. Following some debt capacity analysis done internally, and once again depending on the acquisition target EBITDA profile, we could theoretically spend between 150m€ and 200m€ on M&amp;A, of course depending on market conditions, target valorisation, target EBITDA profile,... Additionally, EVS would prefer to do various relatively small acquisitions instead of one large.</p>
<p><b>In an interview the CEO mentioned that he prefers to grow the company with making it bigger through acquisitions than to pay dividends. Does this mean that the dividend policy earlier defined is now in danger?</b></p>	<p>The plan is still to deliver a total gross dividend of EUR 1.00 related to the fiscal year 2020 and 2021, subject to market conditions</p>
<p><b>Who are the 2 companies that merged recently and could have been potential acquirers of AXON?</b></p>	<p>We do not comment on rumors.</p>



<p><b>Your traditional broadcast clients are already for a long time under pressure from the bigger digital disruptors (Google/Facebook/Apple/Netflix/Amazon/Tencent). That is one of the main reasons EVS is also under pressure. How EVS is tackling this? Are these digital players not a big target market for EVS? Can they become important in your total business to mitigate the downturn in the traditional broadcast segment...</b></p>	<p>EVS is already supplying solutions to some of these digital players, mainly today for their internal live production. This gives us an opportunity to connect and engage with these companies should they one day become producer of live events themselves.</p>
<p><b>Could you explain how the new chairman (Johan Deschuyffeleer) could help EVS in reaching its long term strategy/targets and why he is the right chairman for EVS?</b></p>	<p>In terms of experience, the international aspects of Johan's experience but also his credibility on the market and the overall recognition of his professionalism have drove the proposition of the Board of Directors.</p> <p>In particular, from an operational and executive point of view Johan Deschuyffeleer brings 30+ years of general and sales management experience in high-end technology products, services and solutions both local and international. On the non-executive side he brings 10+ years of experience as a board-member and as chairman in large and medium sized companies.</p>
<p><b>When can shareholders expect that the management team finally remains stable for the next couple of years after so many years of reshuffle (CEO/CFO/CHAIRMAN)...</b></p>	<p>The vision is aligned between the chairman, the Board of Directors, the CEO and Leadership Team. We have a clear strategy (PLAYForward) to execute and deliver against, which might not always been so clear and aligned in the past.</p>
<p><b>Is Ackermans &amp; van Haaren still a shareholder with the initial % they took ?</b></p>	<p>The question should be asked to Ackermans &amp; van Haaren.</p>



**Regarding the variable remuneration in cash for the CEO:**

**What are the financial objectives to which the variable compensation is linked?**

**Given that 2020 will be an exceptional year due to disruption caused by the coronavirus crisis, how will these objectives be set?**

**Regarding the variable remuneration in cash for the leadership team: Are the financial objectives the same as for the CEO**

The financial objectives for the CEO and the leadership team are the same and based on EBIT target achievements.

The 2020 targets have been set before Covid19 crisis. We have cancelled our revenue guidance for 2020. This does not change our EBIT target which was set before and which is the base for the variable payment.