

ECKERT & ZIEGLER BEBIG

Limited Liability Company

Industrial Zone C

7180 Seneffe

VAT BE 0457.288.682

RLE (Charleroi)

(the "Company")

**SPECIAL REPORT OF THE BOARD OF DIRECTORS
PURSUANT TO ARTICLES 596 AND 598 OF THE COMPANY CODE**

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**CANCELLATION OF THE PREFERENTIAL
RIGHTS OF THE CURRENT SHAREHOLDERS**

1. Introduction

In accordance with Articles 596 and 598 of the Company Code, the board of directors has prepared for the shareholders the present special report relating to the cancellation of the preferential rights of the current shareholders in the context of a capital increase by way of a contribution in cash to the benefit of a determined person, i.e. Eckert & Ziegler EZAG AG.

The capital increase and the cancellation of the preferential rights of the current shareholders will be submitted to the approval of the shareholders at the extraordinary general meeting of the shareholders of the Company which will take place on 9 June 2016 at the registered office of the Company.

2. Legal provision

Article 596 and 598 of the Company Code organise a special procedure that has to be followed when the preferential rights of the current shareholders are cancelled.

This special procedure involves the preparation of a special report by the board of directors of the Company.

Articles 596 and 598 of the Company Code provide that the board of directors has to explain in its report (i) the transaction, (ii) the calculation of the issue price, (iii) the consequences of this cancellation for the current shareholders and (iv) the person in favour of which the preferential rights are cancelled.

3. Proposed transaction and issue price

It is considered to proceed with a capital increase by contribution in cash in an amount of EUR 5,056,168.48, of which 1,495,397.38 shall be booked as share premium and EUR 3,560,771.10 shall be allocated to the share capital.

The principal purposes of the contemplated capital increase is to strengthen the cash position of the Company in order to:

- complete the turnaround of the Company
- acquire potential new businesses

It is considered that the capital increase will occur by means of a private placement reserved to the controlling shareholder of the Company (Eckert & Ziegler EZAG AG). Contacts have indeed been taken with the latter and it indicated that it is willing to provide additional resources to the Company. Moreover, a public offering of shares will require to draw up an offering prospectus which must be approved by the FSMA. This process is costly and more lengthy and the Company is urgently in need of cash.

Under Article 598 of the Company Code, the issue price may not be lower than the average trading price during a 30 calendar period preceding the start of the issuance of the shares (i.e. the pricing of the transaction). In accordance with Article 598 of the Company Code, the board of directors determines that the issue price amounts to EUR 0.88 (i.e. EUR 0.619734 as par value and EUR 0.260266 as share premium).

As a result of the proposed capital increase, 5,745,646 new shares, without nominal value, will be created, as compensation for the contribution in the amount of EUR 5,056,168.48, of which 1,495,397.38 shall be booked as share premium and EUR 3,560,771.10 shall be allocated to the share capital to bring it from EUR 10,879,026.72 to EUR 14,439,797.82.

The new shares will take part in the results of the Company as from their issuance and will have the same rights and obligations as the existing shares.

4. Consequences of the cancellation of the preferential rights for the current shareholders

The table below provides an overview of the dilutive effect of the issuance of the 5,745,646 new shares.

	Situation before the issuance of the new shares	Situation after the issuance of the new shares
Number of outstanding shares	17,554,354	23,300,000
Number of outstanding shares held by E&Z EZAG AG	13,053,402	18,799,044
Number of outstanding beneficiary shares	5,025,000	5,025,000

Number of outstanding beneficiary shares held by E&Z EZAG AG	5,025,000	5,025,000
Share capital	EUR 10,879,026.72	EUR 14,439,797.82
Dilution of the current shareholders' rights	/	4.05%

5. Person in favour of which the preferential rights are cancelled

As mentioned above, the beneficiary of the cancellation of the preferential rights is the company under German law, Eckert & Ziegler EZAG AG, with registered office located at Robert-Rössle-Str.10, D-13125 Berlin, Germany, with enterprise number Reg.-Nr. HRB 64997 B, Amtsgericht Charlottenburg, i.e. the controlling shareholder of the Company.

6. Conclusion

In light of the above, the board of directors is of the opinion that the proposed capital increase and cancellation of the preferential rights is in the Company's interest.

The board of directors therefore invites the shareholders of the Company to vote in favour of the proposed capital increase and cancellation of the preferential rights.

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Done in Seneffe on 25 April 2016.

For the board of directors,

Andreas Eckert
Chair