Zenitel

Report of the independent financial expert

Strictly confidential

22 February 2021

1. Introduction

Introduction

- 3D NV, a public limited company incorporated under Belgian law with its registered office at Onafhankelijkheidslaan 17-18, 9000 Gent (Belgium) and registered at the Crossroad Bank for Enterprises under the number RCS 0448.341.027 (herafter "3D" or the "Bidder"), has informed the Board of Directors of Zenitel NV, a public limited company incorporated under Belgian law with is registered office at Z1 Research Park Zellik 110, 1731 Zellik (Belgium) and registered at the Crossroad Bank for Enterprises under the number 0403.150.608 (hereafter "Zenitel" or the "Company"), about its intention to launch, via its subsidiary House of Thor BV, a voluntary conditional public take-over bid procedure to acquire the remaining shares issued by Zenitel which are held by the public (herafter the "Transaction")
- 3D (directly and indirectly) holds 1,584,776 shares of Zenitel, representing 47.87% of the outstanding share capital. Other important shareholders are QuaeroQ CVBE holding and De Wilg GCV holding respectively 496,230 shares (14.99%) and 400,000 shares (12.08%). The 829,878 remaining shares, representing 25,06% of the share capital, are being traded on the Euronext Brussels
- The price offered by 3D ("Offer Price") amounts to €23.25 per share
- As the Bidder is a controlling shareholder at the time of the submission of its Offer Price, the Transaction falls within the scope of articles 20 to 23 of the Royal Decree of 27 April 2007 (as amended) on "public takeover bids" (the "Royal Decree")
- In light thereof, Zenitel has appointed Degroof Petercam Corporate Finance NV/SA, having its registered office at Guimardstraat 18,1040 Brussels (Belgium) and registered at the Crossroad Bank for Enterprises under the number 0864.424.606 (herafter "DPCF"), as an independent financial expert and requested DPCF to prepare a report in accordance with article 21 of the Royal Decree (hereafter the "Report")
- DPCF has a vast experience in financial expert assignments and has in that capacity provided numerous company valuations as well as fairness opinions for companies as illustrated in Appendix 2
- The Report includes:
  - A statement of independence
  - A description of the scope and tasks performed
  - An overview of the resources allocated to prepare this Report and DPCF's remuneration
  - A description of the main factual information regarding the Company and the Transaction
  - A valuation analysis regarding the Company, including an overview of the valuation methodologies applied
  - Our conclusions
  - An analysis of the valuation performed and proposed by the Bidder
- This Report will be attached to the prospectus which will be submitted by 3D to the FSMA in accordance with article 23 of the Royal Decree

2. Independence

Independence of Degroof Petercam Corporate Finance

- DPCF and Bank Degroof Petercam declare and warrant to be in an independent position towards the Bidder, the Company and any affiliated company, as per article 22 of the Royal Decree. More particularly, DPCF declares not to be in any of the situations described in article 22 of the Royal Decree
- Bank Degroof Petercam was founded in 1871. It is a global and integrated bank active in wealth and asset management and in investment banking through, amongst others, its 100% subsidiary DPCF. It is therefore actively involved in a large number of financial transactions for the account of its clients and for its own account
- Neither DPCF nor Bank Degroof Petercam have been mandated to advice or to assist in any manner any of the parties involved in the Transaction, with the exception of this assignment. In addition, DPCF has not been involved in any advice with regard to the terms of the Transaction
- Neither DPCF nor Bank Degroof Petercam have a financial interest in the Transaction other than the fixed remuneration(1) that DPCF will receive for the issuance of this Report
- There is no legal or shareholding link between the Bidder, the Company or their affiliated companies and any entity of the Bank Degroof Petercam group. No member of the group Bank Degroof Petercam serves as director of the Bidder, the Company or their affiliated companies
- In the two years prior to the Announcement date of the Transaction (16 November 2020), neither DPCF nor Bank Degroof Petercam did perform any other assignment on behalf of the Bidder, the Company or the companies related to them
- DPCF confirms to have the requisite skills and experience to act as an independent expert and that its structure and organisation are adapted to execute such role as per article 22 §4 of the Royal Decree
- Finally, neither DPCF nor Bank Degroof Petercam are holding a receivable or debt towards the Bidder, the Company or any of their affiliated companies to the extent that such receivable or debt is creating or likely to create a situation of economical dependency

Note: (1) 12.5% of our fee is dependent upon the approval of the prospectus (see p.8 for more details)

3. Assignment scope

Assignment scope (1/2)

- The purpose of the Report is solely to comply with articles 20 to 23 of the Royal Decree
- We have assumed and relied upon, without independent verification, the accuracy and completeness of the historic financial, accounting, legal and fiscal information in respect of the Company or the Bidder, as the case may be, provided to DPCF by or on behalf of the Company or the Bidder, as the case may be, as requested by DPCF, and therefore we do not bear any responsibility relating to the accuracy or completeness of this information
- In addition, we have selected information from independent external sources of quality that we believe are relevant to the valuation of the securities subject to the Transaction (e.g. market research, comparable company information, valuation multiples of listed comparable companies and valuation multiples of transactions on comparable companies). DPCF assumes that information on market research, comparable companies, valuation multiples of listed comparable companies and valuation multiples of transactions on comparable companies provided by these external sources are in any respect, accurate, precise and complete. DPCF can not be held liable for the erroneous, inaccurate or incomplete nature of the above information
- The preparation of this Report has been completed as at 20 January 2021 and is based on market information as at 13 November 2020 and Company information as available on the date of this Report. Subsequent events may have had an impact on the Company's estimated value. DPCF is under no obligation to amend this report or to confirm it beyond the aforementioned date. DPCF has not been informed of any events or new information that have arisen and which would have had a significant impact on the valuation between the date of the valuation (13 November 2020) and the date of the report (20 January 2021)
- On 22 February 2021 we updated our Report of 20 January 2021 only to include (ex post) (i) the FY2020 financials which were published on 12 February 2021, only for information purposes and (ii) the increased Offer Price of €23.25 which was announced on 22 February 2021
- This Report may not be used for any other purpose, or reproduced, disseminated or quoted at any time and in any manner without prior written consent other than possibly in or as an attachment of the prospectus regarding the Transaction

Assignment scope (2/2)

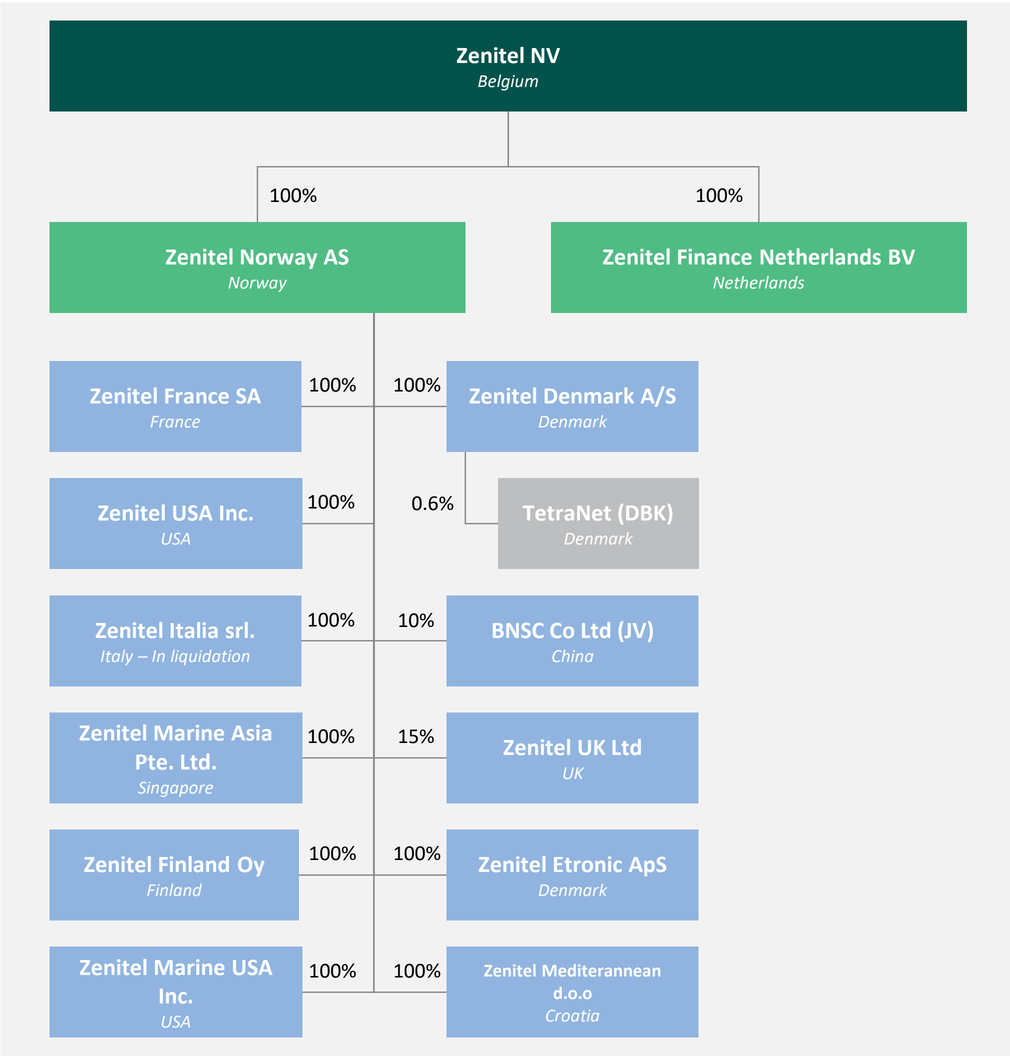
- DPCF has allocated 4 resources to prepare this Report, consisting of: Patrick Moermans, Managing Director; Julien Thys van den Audenaeren, Vice President; Alexander Aerts, Associate and Edward Lecomte, Analyst. The team was able to draw upon additional resources of DPCF when required
- During our assignment carried out between 23 October 2020 and 20 January 2021, we have performed the following tasks:
  - ✓ Analysed in detail the Transaction and its conditions;
  - ✓ Analysed publicly available documents (e.g. annual reports, etc) regarding the historical financial performance of the Company as at 31 December 2017, 2018, 2019, 30 June 2020 and 30 September 2020, as well as other Company information and external information such as available market survey reports
  - ✓ Analysed the Business Plan 2020-2025 provided by the management of Zenitel;
  - ✓ Held conversations and several meetings with (i) the Company management (ii) the independent directors together and (iii) the advisor of the Bidder. More specifically, we interacted with the following individuals from the Company:
    - Jo Van Gorp (Blanco Blad BV) – Chairman of the Board of directors and independent director of Zenitel
    - Koen Claerbout – CEO and President of Zenitel
    - Mark Küpers – CFO of Zenitel
    - The independent directors[1]
  - ✓ Performed an independent analysis regarding the valuation of Zenitel
- DPCF confirms that the assumptions made and methods withheld in the Report are reasonable and relevant
- There are no equity analysts following the Company and, hence, no research reports are available
- Appendix 1 lists the documents we have received from the Bidder and its advisor
- In accordance with the engagement letter signed on 23 October 2020 between DPCF and 3D, DPCF will have received a fixed fee of €200,000 (excluding VAT) for the preparation of this Report whereof €25,000 dependent on the approval of the prospectus

Note: (1) Please see p.12

4. Zenitel overview

Zenitel overview (1/3)

Organisational structure



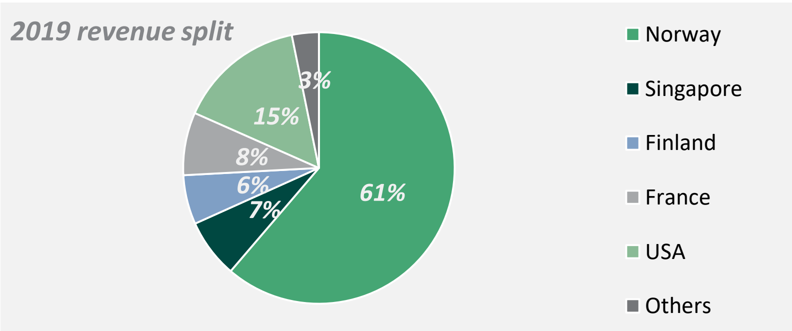
Important changes to the organizational structure

1. On 28 April 2017, Zenitel announced a 1-for-10 reverse stock split, with the purpose of rationalising the number of shares outstanding, which became effective on 10 May 2017
2. On 12 October 2018, Zenitel announced the acquisition of Jotron's intercom and public address business Phontech in an asset deal
3. On 6 August 2019, Koen Claerbout was appointed as new CEO of the company

Zenitel overview (2/3)

Key business characteristics

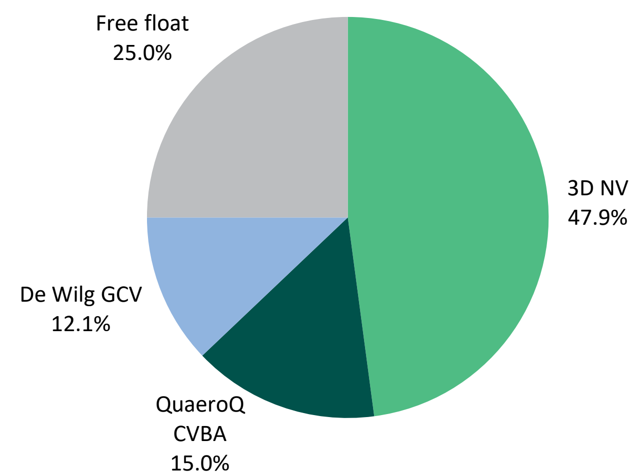
- Zenitel is a Belgian listed company active as a leading provider in critical communications over IP, with strategic HQ in Belgium but operational HQ in Norway
- It provides audio and data communication solutions for environments that require the protection of human life, property, assets and/or the management of critical activities. It develops its own IP, but combines it with other technologies and products
- Its onshore activities accounted for 48% of revenues in 2019. These revenues stem from the safety and security market. In this segment, Zenitel offers own developed products only
- Its offshore activities accounted for 52% of revenues in 2019. These revenues stem from the maritime and energy market. In this segment, in which it historically has a strong market share, Zenitel offers integrated solutions, combining own and third-party products
- Manufacturing activities are outsourced to electronic component manufacturers (mainly in Poland)
- Even though Zenitel is a listed company with an offering for (large) international clients, it is active in a niche market and has a relatively small size (turnover in a €70m area, market capitalisation of c. €55m). It is therefore limited in its financial means to set up a strong own commercial structure covering its various markets worldwide
  - Zenitel has an own commercial footprint in some countries: Norway, Finland, Denmark, France, Singapore and the US. These are typically centers of excellence with own sales people, providing training in the local market
  - For many other markets, Zenitel is dependent on external partners/intermediaries having a sales organisation integrating Zenitel products/solutions in their larger offering. Its focus is on building partnerships with a number of integrators. In that perspective, part of R&D efforts are also on building/maintaining knowledge about third party products as well as on designing own products with strong integration features
- Zenitel employs around 300 people, of which 50% are located in Norway



Zenitel overview (3/3)

Overview of shareholding structure

Market	Euronext Brussels
Instrument type	Ordinary shares
Quotation currency	EUR
Shares outstanding	3,310,884
Quotation frequency	Double call auction
ISIN	BE0003806230
Incorporation	Belgium



Governance structure

Board members

- Dependent directors
  - Yves De Backer BV, represented by Yves De Backer;
  - Equity @ Work BV, represented by Hans Swinnen;
  - K-CL BV, represented by Koen Claerbout, Managing Director;
- Independent directors
  - Blanco Blad BV, represented by Jo Van Gorp, Chairman;
  - Wenche Holen;
  - Liesbet Van der Perre, and;
  - Cascade Dynamics BV, represented by Gail Smith

Executive team

- Koen Claerbout, CEO and Managing Director, and;
- Mark Küpers, CFO

5. Valuation methods and considerations

Valuation methods and considerations (1/4)

Approach (1/2)

VALUATION SCOPE	▪ The purpose of this Report is to value Zenitel on a consolidated and going concern basis ▪ We have received information from the Management as at 30 September 2020 and hence performed the valuation as of this date ▪ We have received a Business Plan from Zenitel over the period FY20F-FY25E (the "Business Plan") ▪ We have based our valuation analysis on this Business Plan
PRIMARY VALUATION METHOD	**Discounted cash flow ("DCF") analysis** ▪ We selected the DCF analysis as the leading valuation method for Zenitel as (i) the DCF approach allows to clearly consider the Company's future perspectives and (ii) we lack support for the other valuation methodologies to be appropriate for Zenitel (cf. infra) ▪ We have assessed the assumptions underlying the projections in the Business Plan based on discussions with Management and on the historical performance of the Group
SECONDARY VALUATION METHOD	The **comparable company analysis ("CCA")** has not been retained as leading valuation method considering: ▪ The lack of directly comparable listed companies (less than a handful peers including only one European company which is only partly comparable) ▪ Moreover, peers are reporting under local GAAP or IFRS (incl. new IFRS 16 rule) which is not in line with the Business Plan provided by the Company that is based on Management reporting (local GAAP) ▪ Therefore, this method is only used as reference point and sanity check

Valuation methods and considerations (2/4)

Approach (2/2)

ADDITIONAL VALUATION CONSIDERATIONS

- In addition to the primary and secondary valuation methods, we have considered additional valuation approaches to value Zenitel, consisting of the:
  - ✓ **Share performance analysis of Zenitel;** and the
  - ✓ **Public bid premiums analysis**
- Similar to the CCA approach, both valuation considerations are used as reference points and sanity checks for our primary valuation method, the DCF analysis, mainly due to the limited liquidity of the Zenitel share

EXCLUDED VALUATION METHODS

Comparable transaction analysis (“CTA”)

- We have not retained the CTA methodology due to limited availability of transaction-specific information for comparable transactions

Net asset value method (“NAV”)

- We have not retained the NAV methodology for the following reasons:
  1. The NAV method is based on a backward looking approach and is more adequate for companies with significant tangible assets (e.g. holding and real estate companies);
  2. This method does not assume a going concern and is thus rather used in case of liquidation scenarios

Valuation methods and considerations (3/4)

Overview

PRIMARY	SECONDARY	ADDITIONAL VALUATION CONSIDERATIONS		EXCLUDED
DCF	**CCA**	**Share price performance analysis**	**Public bids premium analysis**	**CTA**
▪ Calculating the present value of the Company's unlevered free cash flow over a projection period and the terminal value, discounted at the expected rate of return	▪ Analysis based on market valuations of "comparable" publicly traded companies with similar activities	▪ Analysis of the share price of the Company before announcement date vs. an index benchmark over 5 years ▪ Volumes and share liquidity analysis ▪ Analysis of the premium offered	▪ Analysis of voluntary and mandatory public takeover bids for companies listed on Euronext Brussels (excluding real estate certificates) ▪ Only successful takeover bids from controlling shareholders are considered	▪ Analysis based on comparable precedent M&A transaction valuations ▪ Gives a flavour of valuations in transaction-related context
▪ Preliminary cash flow analysis based on the Business Plan ▪ Relies on several assumptions concerning valuation parameters (e.g. WACC, perpetual growth)	▪ Equity market multiples analysis applied to the Company's operating results ▪ The valuations obtained represent what the market is ready to pay for a liquid stake		▪ Differences between sectors may exist	▪ Multiples derived from comparable transactions (may reflect change of control and potential synergies premium) ▪ Multiples paid for similar businesses are applied to historic operating results
▪ Captures the company's future growth prospects but difficulty of accurately predicting medium to long term cash flows ▪ Highly dependable on several assumptions (e.g. sales growth, costs evolution)	▪ Valuation is relative rather than absolute ▪ Do not include any control or synergies premium ▪ Assume that similar companies share key business and financial characteristics, business drivers and risks			▪ Limited info available makes objective comparison difficult ▪ Difficult to assess any transaction-specific features such as synergies or restructuring costs included in price paid
DPCF valuation focus				

Valuation methods and considerations (4/4)

From Enterprise Value to Share Value

Valuation methods

1. **Primary valuation method: DCF analysis**
2. Secondary valuation method used as cross-check: CCA
3. Additional valuation considerations: share price performance and public bids premium analysis leading to equity value

Entreprise Value

Net financial debt, as per 30 September 2020 (in €k)	
Financial debt	2,574
Cash & cash equivalents	(22,710)
Net financial debt / (cash)	**(20,136)**
Net financial debt adjustments	
1 Retirement benefit obligations	423
2 Provisions	4,185
3 Tax provisions Zenitel Norway AS	1,763
Preferred shares	-
Treasury shares	-
Minority interests	-
4 NWC adjustment	(835)
Total adjustments	**5,535**
Adjusted net financial debt / (cash)	**(14,601)**

Equity Value

Divided by
the number of fully diluted Zenitel shares: 3,310,884

Equity Value per Share or Share Value

- Based on the valuation methods aforementioned, we obtain an estimation of the Enterprise Value ("EV") of Zenitel
- Management provided the most recent financials as of 30 September 2020
- By correcting the EV for adjusted net financial debt ("NFD") as at 30 September 2020, we obtain the Equity Value
  - Net financial debt adjustments include:
    1. Retirement benefit obligations of €423k which constitute a debt-like item
    2. Provisions relating to legal and other provisions taken by the company
    3. Tax provisions relating to special tax regime in Norway. During the year, provision levels are built up in each legal entity where Management sees a need for it. At year-end these provisions are finetuned together with tax consultants
    4. Net Working Capital ("NWC") adjustment of (€835k)

    We note the presence of deferred tax assets ("DTA") on the balance sheet. The DTA relate, amongst others, to net operating losses "NOLs" accumulated mostly in the Belgian entity (Zenitel NV Belgium). Zenitel generates very limited income and hence makes the value of NOLs very uncertain according to the Management. For the latter reason, the value of the NOLs are not taken into account in the equity bridge.
  - By dividing the Equity Value by the fully diluted number of shares, we obtain the Equity Value per Share or Share Value

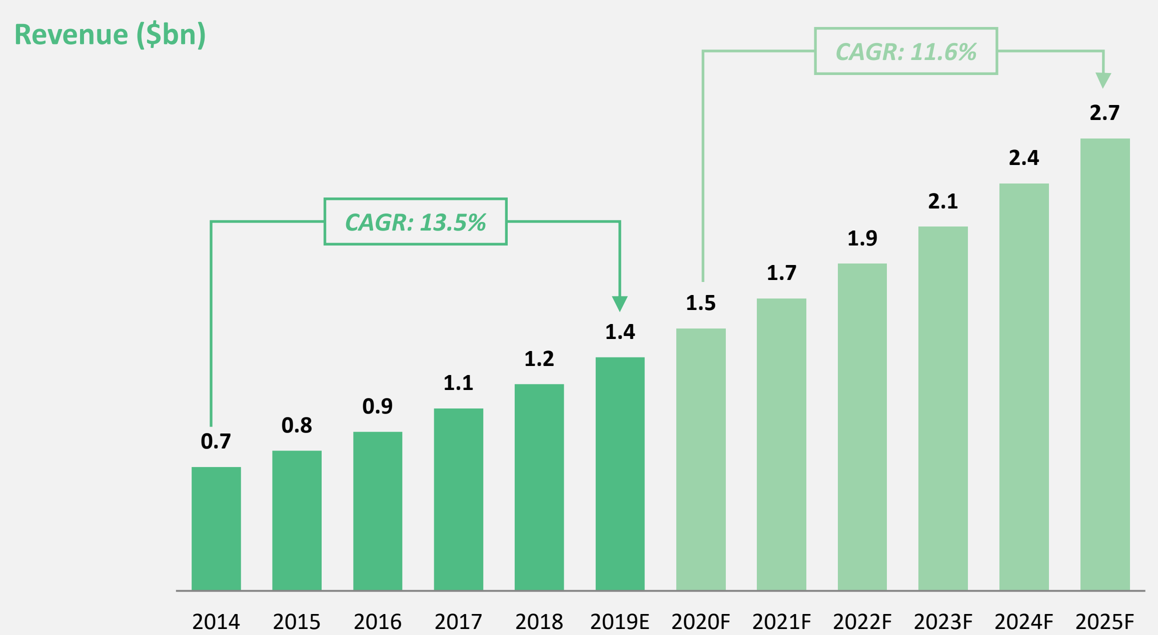
6. Valuation of Zenitel

6. Valuation of Zenitel

Market dynamics

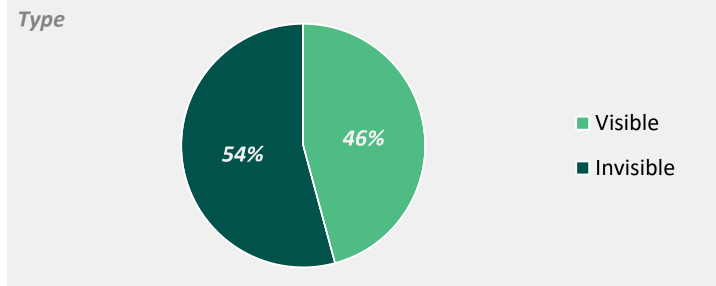
Global IP Intercom market (1/2)

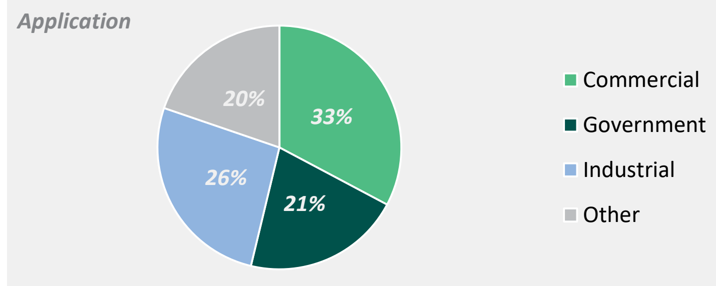
Global IP Intercom market

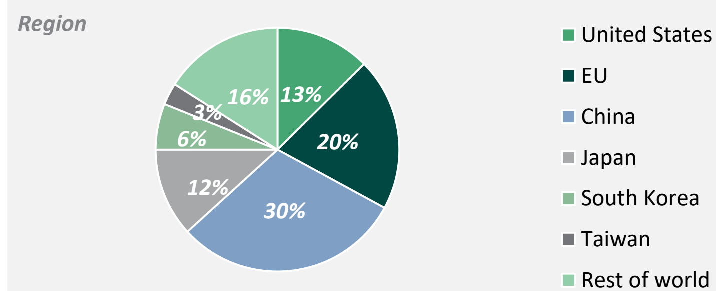


	2014	2015	2016	2017	2018	2019E	2020F	2021F	2022F	2023F	2024F	2025F
Units (k)	*3,111*	*3,589*	*4,147*	*4,832*	*5,557*	*6,386*	*7,284*	*8,258*	*9,397*	*10,640*	*12,086*	*13,648*
YoY revenue growth	*n.a.*	*13.2%*	*13.5%*	*14.7%*	*13.2%*	*13.1%*	*12.3%*	*11.5%*	*11.8%*	*11.3%*	*11.9%*	*11.0%*

Split as of 2019







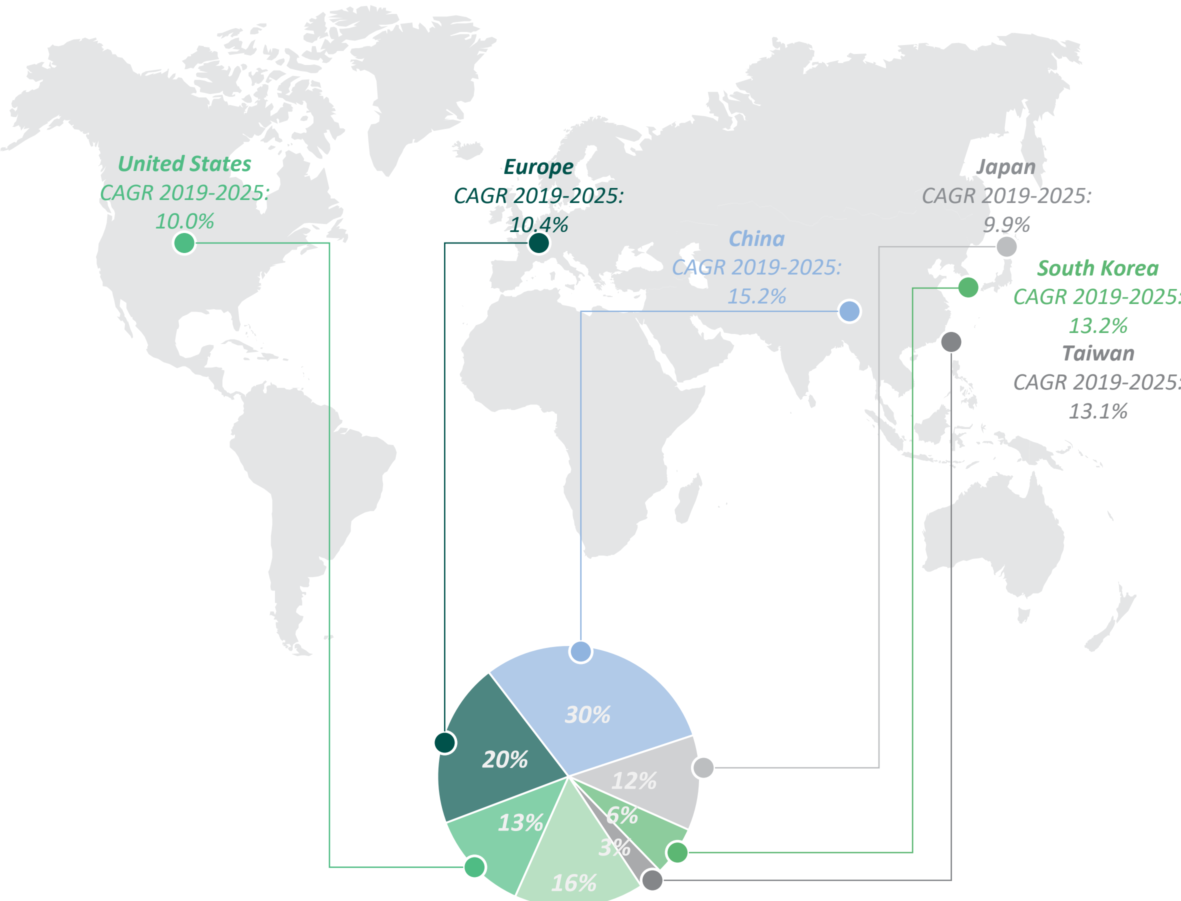
- According to the Global IP Intercom Market Research Report by QYResearch (2019), the market is expected to grow annually (CAGR) over the period 2019-2025 with 11.7%. Yet, Maritime & Energy, which according to Zenitel's management is a rather stable market, only represents 15% of the universe covered by this market survey, whereas it represents almost 50% of Zenitel's turnover. Therefore, and also because of the Company's own historical performance, the lower growth rate reflected in Zenitel's Business Plan (CAGR of 6.6%) seems appropriate to us

Source: Global IP intercom Market Research Report (QYResearch 2019)

Market dynamics

Global IP Intercom market (2/2)

Global IP Intercom market growth per region



Selected players in IP Intercom market

United States

GAI-TRONICS

Europe

AXIS COMMUNICATIONS
BARIX
Comelit Passion.Technology.Design.
FERMAX
legrand
SSS SIEDLE
TCS
urmet
zenitel

China

KNTECH
anjubao

Japan

AIPHONE
Panasonic
TOA

Rest of world

commend

- China is the largest market for IP Intercom solutions, accounting for nearly a third of global value
- After China, Europe is the largest market of IP intercom equipment, with a very fragmented landscape

Source: Global IP intercom Market Research Report (QYResearch 2019)

Business Plan (1/3)

Historicals and Business Plan (1/2)

P&L (in k EUR) Management Reporting, non-IFRS	FY16A	FY17A	FY18A	FY19A	2020 YTD	FY20F	FY20A	FY21E
Revenues	63,473	60,585	61,161	76,257	54,455	71,913	72,955	75,513
COGS	(29,285)	(25,743)	(26,313)	(35,160)	(15,544)	(29,974)	(31,805)	(31,919)
Gross margin	**34,188**	**34,841**	**34,848**	**41,097**	**31,425**	**41,939**	**41,149**	**43,594**
As a % of revenues	*53.9%*	*57.5%*	*57.0%*	*53.9%*	*57.7%*	*58.3%*	*56.4%*	*57.7%*
Revenues growth	-	*(4.6%)*	*1.0%*	*24.7%*		*(5.7%)*	*(4.3%)*	*5.0%*
Opex	(29,876)	(29,364)	(30,864)	(36,437)	(24,696)	(32,139)	(31,839)	(37,400)
EBITDA	**4,312**	**5,478**	**3,984**	**4,660**	**6,730**	**9,800**	**9,311**	**6,193**
As a % of revenues	*6.8%*	*9.0%*	*6.5%*	*6.1%*	*12.4%*	*13.6%*	*12.8%*	*8.2%*
EBITDA growth	-	*27.0%*	*(27.3%)*	*17.0%*		*110.3%*	*99.8%*	*(36.8%)*
Depreciation	(1,830)	(1,666)	(1,076)	(747)	(554)	(1,365)	(742)	(1,452)
EBIT	**2,483**	**3,812**	**2,908**	**3,913**	**6,175**	**8,436**	**8,568**	**4,741**
As a % of revenues	*3.9%*	*6.3%*	*4.8%*	*5.1%*	*11.3%*	*11.7%*	*11.7%*	*6.3%*
Depreciation as a % of revenues	*(2.9%)*	*(2.8%)*	*(1.8%)*	*(1.0%)*	*(1.0%)*	*(1.9%)*	*(1.0%)*	*(1.9%)*

FINANCIAL ITEM	ASSUMPTIONS
Revenues	▪ Zenitel has not shown a convincing growth path over the previous years (period FY16A-FY18A), as it has been struggling amongst others with the commercial roll-out in some regions. In 2019 turnover increased significantly, partly due to the acquisition of Phontech (approximately €7.3m turnover) ▪ With the new CEO on board since mid-2019, focused efforts are being made to strengthen the strategic partnerships, which is expected to gradually translate as from 2020 on in an increase of the top line. The Company is also working on a number of important (product) innovations in support of maintaining/strengthening its market position, but it typically takes about 3 years to have the effects of those innovations on cruising speed ▪ All together the Company's management tables on a 6.6% CAGR of the top line over the Business Plan period (FY20F-FY25E), reaching a revenue level of around €100m by FY25E. This growth target is 100% organic and compares to a historical CAGR of 6.3% (FY16A-FY19A) which however includes external growth (acquisition of Phontech at the end of FY18A). Excluding external growth, the historical CAGR is only 2.8%(1)

Note: FY20A management reporting figures have been added for information purposes only considering our valuation has been performed prior to publication of FY20A figures
(1) Based on Phontech FY17 revenue of €7.3m
Source: Management, Global IP intercom Market Research Report (QYResearch 2019)

Business Plan (2/3)

Historicals and Business Plan (2/2)

P&L (in k EUR) Management Reporting, non-IFRS	FY16A	FY17A	FY18A	FY19A	2020 YTD	FY20F	FY20A	FY21E
Revenues	63,473	60,585	61,161	76,257	54,455	71,913	72,955	75,513
COGS	(29,285)	(25,743)	(26,313)	(35,160)	(15,544)	(29,974)	(31,805)	(31,919)
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EBIT	**2,483**	**3,812**	**2,908**	**3,913**	**6,175**	**8,436**	**8,568**	**4,741**
As a % of revenues	*3.9%*	*6.3%*	*4.8%*	*5.1%*	*11.3%*	*11.7%*	*11.7%*	*6.3%*
Depreciation as a % of revenues	*(2.9%)*	*(2.8%)*	*(1.8%)*	*(1.0%)*	*(1.0%)*	*(1.9%)*	*(1.0%)*	*(1.9%)*

FINANCIAL ITEM	ASSUMPTIONS
Operational profitability	▪ Gross margin percentage is expected to remain stable over the course of the Business Plan, in line with historical margins, reaching a FY25E gross margin of €56.6m, equivalent to 57.3% of revenues ▪ FY20F is to be considered as a transition year with historic high EBITDA and EBIT margin percentages due to a downfall of revenues resulting from the Covid-19 crises in combination with significant temporary efforts on controlling operating expenses (less travelling, trade fairs, etc.) in a context of prudent management. Yet, as from 2021 on, management plans a pick-up of operational expenses in support of achieving the business plan : increase of R&D budget (in view of accelerating and strengthening innovation so as to achieve/maintain technology leadership), of M&S expenses (so as to broaden market reach) and of expenses to strengthen the organization for operational excellence. The company will further invest in systems and tools. The further integration of the Phontec acquisition positively influenced the 2020 results and is considered by management as a factor of structural improvement in the business plan ▪ After transition year 2020, the Business Plan targets an EBITDA margin in FY21E of 8.2%, which is slightly above the normalised margin of 7.7% recorded in FY19A (see p.24). Over the next years of the Business Plan, the EBITDA margin is expected to gradually increase up to a level of 9.6% in FY25E, resulting in a FY25E EBITDA of €9.5m ▪ After transition year 2020, the Business Plan targets an EBIT margin in FY21E of 6.3%. Over the next years of the Business Plan, the EBIT margin is expected to gradually increase up to a level of 7.7% in FY25E, resulting in a FY25E EBIT of €7.6m

Note: FY20A management reporting figures have been added for information purposes only considering our valuation has been performed prior to publication of FY20A figures
Source: Management, Global IP intercom Market Research Report (QYResearch 2019)

Business Plan (3/3)

2019 and 2020 EBITDA normalizations

- The DCF method (cf.infra) will be based on the Business Plan assumptions described in the two previous pages and which is management reporting based, i.e. on a non- IFRS basis. Even though the DCF approach only considers future cash flows, we analysed the FY19A and FY20F figures (non-IFRS version) so as to have a view on the company's normalised operational performance, as a benchmark for the future performance. Yet, the year FY20F is to be considered as a transition year due to the effects of the Covid-19 crisis on the general business environment and the Company's associated cost reduction measures
- The CCA method will apply market valuation parameters (i.e. multiples) which are derived from listed peers which report in local GAAP or IFRS. If peers accounting principles differ from Zenitel's, multiples should be adjusted to account for the difference. The table below shows the impact of the IFRS 16 reclass on the FY19A EBITDA, but for FY20F we do not have the input to do such reclass

EBITDA 2019 Normalizations (in kEUR)		*As % of sales*	Comments
EBITDA 2019 - Management reporting	**4,660**	*6.1%*	
EBIT 2019 - Management reporting	**3,913**	*5.1%*	
Normalisation 1 - 2018 revenues	(970)		Revenue of €1.8m which would have normally been in 2018, but moved into early 2019
Normalisation 2 - Acquisition impairment	1,200		Impairment inventory of €1.4m, compared to normally €200k hence a net effect of €1.2m
Normalisation 3 - Provision	1,000		Provision in 2019 for restructuring costs (expected in 2020) : €1m
EBITDA 2019 - Normalized	**5,890**	*7.7%*	
EBIT 2019 - Normalized	**5,143**	*6.7%*	
IFRS 16 reclass	1,800		Impact of leases treatment under IFRS 16
EBITDA 2019 - Normalized after IFRS 16 reclass	7,690		
EBIT 2019 - Normalized after IFRS 16 reclass	6,943		

EBITDA 2020 Normalizations (in kEUR)			Comments
EBITDA 2020 - Management reporting	**9,800**	*13.6%*	
EBIT 2020 - Management reporting	**8,436**	*11.7%*	
Normalisation 1 - Provision	(650)		Reverse part of provision (as restructuring cost was lower than €1m in 2020)
Normalisation 2 - Covid support	(340)		COVID support granted by government
Normalisation 3 - Reduced costs	(2,250)		Lower travel and marketing costs due to lockdown
EBITDA 2020 - Normalized	**6,560**	*8.7%*	
EBIT 2020 - Normalized	**5,196**	*6.9%*	
IFRS 16 reclass	-		Not quantified yet
EBITDA 2020 - Normalized after IFRS 16 reclass	6,560		
EBIT 2020 - Normalized after IFRS 16 reclass	5,196		

Source: Management

6. Valuation of Zenitel

DCF method (1/6)

Approach (1/2)

DCF definition

- The DCF method is an intrinsic valuation methodology, which is based on:
  - Free Cash Flows to the Firm ("FCFF") projections over a period of between 5 and 10 years, calculated from the forecasted financials of the Business Plan; and
  - A discount rate: the Weighted Average Cost of Capital ("WACC")

$$EV = \sum_{t=1}^{N} \frac{FCFF_t}{(1 + WACC)^t} + \frac{Terminal\ Value}{(1 + WACC)^N}$$

Where:

- t = the specific year
- N = the number of projection years

FCFF

- The FCFF has been computed as follows:
  - **EBITDA**: based on the Business Plan prepared by management (management reporting)
  - **Taxes**: based on the Norwegian corporate tax rate of 22% for FY20F onwards
  - **Capex**: based on management estimates as presented in the Business Plan section
  - **(Change) in NWC** has been estimated by the management, based on its analysis of net working capital as a percentage of sales over the historical period FY16A-FY19A and taking into account the growth inherent to the Business Plan

WACC

- The WACC has been estimated based on management information, our selection of listed peers, Damodaran database and Degroof Petercam estimates
- See page 28

DCF method (2/6)

Approach (2/2)

Terminal Value

- The Terminal Value has been estimated based on the following Gordon-Shapiro formula, assuming a perpetual growth of 1.5% based on the 15Y historical average GDP growth rate in Europe and consistent with our WACC calculation:

$$\frac{Terminal\ free\ cash\ flow\ to\ the\ firm}{WACC\ - perpetual\ growth}$$

Present value & sensitivity analysis

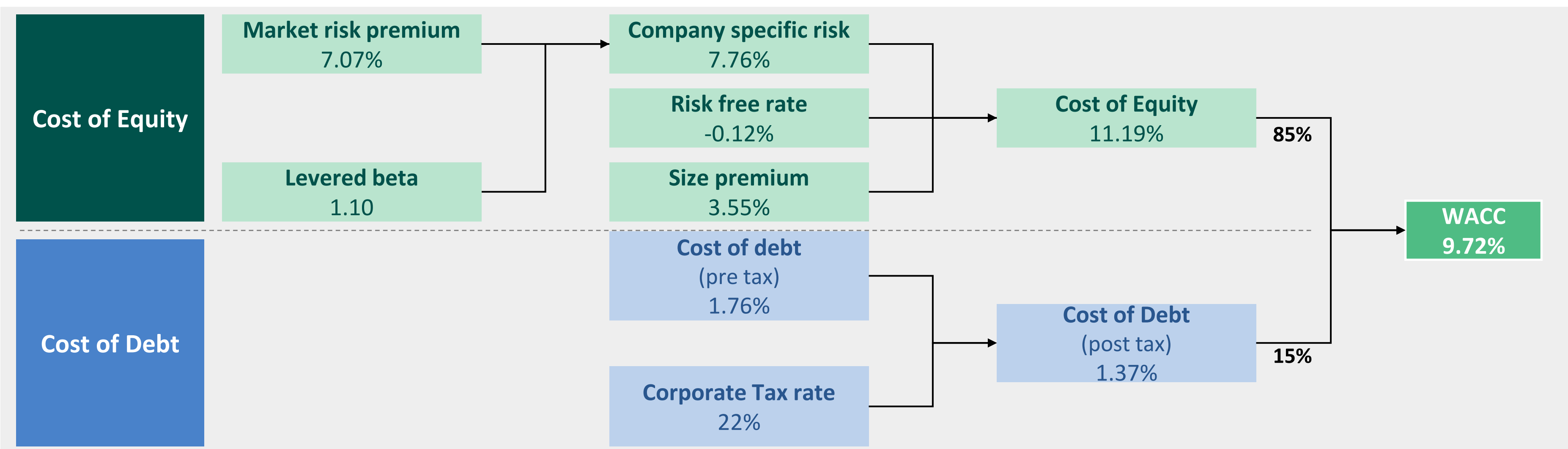
- We made the assumption that cash flows are evenly distributed over the year and used the mid-year convention which means that the cash flows will be discounted on the following years: 0.5, 1.5, 2.5 etc.
- The DCF method is sensitive to the assumptions made. Consequently, we applied a sensitive analysis on market parameters as well as on company specific parameters

DCF method (3/6)

Weighted Average Cost of Capital (WACC)

DPCF has discounted the FCFF of Zenitel using a WACC of 9.72% calculated as at 28 October 2020 as follows:

- The cost of equity is based on the Capital Asset Pricing Model (“CAPM”) formula :
  - Risk-free rate ("RFR") of -0.12%, based on last twelve months (LTM) average of 10y French Government Bonds. 10Y French government bonds have been selected as they are deemed to reflect an average level of RFR in Europe
  - Unlevered beta of 0.96, based on weighted average of different sectors beta from Damodaran database and cross-checked with betas of comparable listed companies (same peer group used as for the CCA method hereafter). The different sectors have been selected based on Zenitel's exposure to each of them (see appendix 3)
  - Market risk premium (“MRP”) of 7.07% based on the LTM average of MRP estimated by Degroof Petercam Corporate Finance
  - Company size premium of 3.55% based on Duff & Phelps research (see appendix 4)
- The pre tax cost of debt (1.76%) is composed of 2.25% average spread (based on BB+ estimated rating) and -0.49% which is the European swap rate of 5 years on 28.10.2020. The pre tax cost of debt combined with the corporate tax rate of Norway (22%) gives a post tax cost of debt of 1.37%
- Capital structure of 15%/85% (Financial debt / Enterprise Value) based on (ii) average capital structure of relevant sector in Damodaran database (ii) comparable listed peers (same peer group as the one used in the CCA method hereafter) and (iii) discussion with the Management



DCF method (4/6)

Outcome

DCF output – Zenitel as of 30 September 2020	
Enterprise value	49,792
Net financial cash / (debt) – 30.09.2020	14,601
Equity value	64,393
Fully diluted number of shares	3,311
Value per share (EUR)	19.45
Main assumptions	
LT growth	1.5%
WACC	9.7%
Tax rate Norway	22.0%
Valuation date	30/09/2020
Other ratios	
TV as % of EV	76.0%
FY19A implied EV/EBITDA normalised	8.5x
FY21E implied EV/EBITDA	8.0x
EBITDA mult. TV	5.7x

Comments

- Management provided financial statements as of September[1], the valuation is hence performed accordingly as of 30 September 2020, making use of the most recent year-to-date financials
- The value of the Company using the DCF method is based on : (i) the cash flows to the firm generated over the five year Business Plan (FY20F-FY25E) as well as (ii) the additional value derived from the terminal value (TV)
- Considering the valuation date, only three months of cash flows are taken into account for the year FY20F. The cash flow taken into consideration for FY20F is therefore based on the difference between the actual financial results as of 30 September 2020 and the Management forecast for FY20. Given that there is no seasonality in the cash flows, we assumed a mid year convention in the discount factor
- The terminal value is based on the last year of the Business Plan to which we applied a perpetual growth rate of 1.5%, aligned with the 15Y historical GDP growth in Europe
- The depreciation has been set equal to capex in terminal value to reflect that the company has no more growth capex and that top line has reached a "steady state"
- The DCF method results in an estimated EV of €49.8m implying a FY19A EV/EBITDA multiple of 8.5x (after normalizations) and a FY21E EV/EBITDA multiple of 8.0x
- After correcting the EV for the adjusted net financial debt, we obtain an estimated Equity Value of Zenitel of €64.4m and an estimated Equity Value per Share of €19.45

Note: [1] Figures provided are under Management reporting, non audited and pre IFRS adjustments

DCF method (5/6)

Sensitivities

Sensitivity - Market parameters (share value)

Terminal growth \ WACC	8.72%	9.22%	9.72%	10.22%	10.72%
0.50%	19.9	19.0	18.2	17.5	16.8
0.75%	20.3	19.3	18.5	17.7	17.1
1.50%	21.5	20.4	19.4	18.6	17.8
1.75%	22.0	20.8	19.8	18.9	18.1
2.00%	22.6	21.3	20.2	19.2	18.4

Sensitivity - Company specifics (share value)

Change in EBIT % \ Variation of capex	90%	95%	100%	105%	110%
(1.0%)	17.4	17.1	16.8	16.4	16.1
(0.5%)	18.8	18.4	18.1	17.8	17.5
0.0%	20.1	19.8	19.4	19.1	18.8
0.5%	21.4	21.1	20.8	20.5	20.1
1.0%	22.8	22.5	22.1	21.8	21.5

Sensitivity in TV - Company specifics (share value)

Change in EBIT % in TV \ Capex in TV (% of Revenue)	1.50%	1.75%	1.89%	2.00%	2.25%
(1.0%)	18.4	17.8	17.4	17.2	16.5
(0.5%)	19.4	18.8	18.4	18.2	17.5
0.0%	20.4	19.8	19.4	19.2	18.5
0.5%	21.4	20.8	20.4	20.2	19.5
1.0%	22.4	21.8	21.4	21.2	20.5

Comments

- Sensitivities on key parameters of the DCF-based valuation have been ran
- The first table outlines the impact of a change in market parameters on the equity value. Horizontally, the change in the WACC impacts the whole Business Plan period as well as the terminal value. Vertically, the change in terminal value growth only impacts the long term growth. The Equity value of Zenitel is sensitive to both parameters
- The second table presents the impact on equity value should the capex or the EBIT margin change in the course of the Business Plan. Both parameters impact the whole Business Plan period as well as the terminal value. We note that a slight decrease / increase in the profitability would impact significantly the equity value
- The third table depicts the impact at equity value on TV parameters only

► The equity value obtained is very sensitive to the forecast margins in the Business Plan. As an illustration, a 1% decrease of the EBIT margin over the Business Plan would lead to a decrease of c. 14% of the share value (€16.8 vs. €19.4). Likewise, a 1% increase of the EBIT margin would lead to a c.14% higher share value or (€22.1 vs. €19.4)

► The DCF range of €17.8 – €21.5 is calculated as the range of share values for a WACC varying from 8.72% to 10.72%

DCF method (6/6)

NWC and capex assumptions

Net Working Capital (Management forecasts) in EURk	2020 - 30 sept	LTM	FY20F	FY21E
Inventories	15,800			
Contracts in progress	-			
Trade and other trade receivables	12,508			
Trade and other trade payables	(13,767)			
TWC	**14,541**			
Deferred charges and accrued income	1,320			
NWC	**15,861**	**15,026**	**15,115**	**15,971**
Δ NWC	**(3,669)**		**(89)**	**(856)**
As % of revenues	*21.9%*	*20.8%*	*20.9%*	*21.1%*

- Management provided the average last twelve months ("LTM") net working capital ("NWC") which amounts to €15,026k or 20.8% of the FY20F sales. We used the LTM average as a proxy for the normalised working capital for our DCF-based valuation
- Based on the figures provided, we also calculated a NWC position as of 30 September 2020 as presented in the table above. Note that our calculations exclude the provisions which are considered as debt-like items in the NFD (see p.17 for further details). We then compute the difference between the average LTM NWC and the 30 September 2020 (€835k), which is added to the EV-Equity bridge
- We note that the NWC as of 30 September 2020 is higher than the NWC LTM as well as the expected 2020 year-end level. According to the Management, this difference is explained by a higher inventory foreseen in order to avoid any stock shortage during the Covid-19 crisis
- Management has provided a NWC projection over the Business Plan period. As from FY21E onwards, the Management anticipates an increase in working capital through the Business Plan to finance (i) the increase in customer credit as a result of serving larger customers and projects and (ii) the increase in inventory provision as a result of the intended geographic expansion and increasing delivery times for electronic components. It results in a target NWC of 22.2% of sales by FY25E (compared to an LTM average of 20.8% and of 15.8% over the last three years)

Capex (Management forecasts) - in EURk	FY16A	FY17A	FY18A	FY19A	2020HY	FY20F	FY20A	FY21E
Depreciation	**(1,830)**	**(1,666)**	**(1,076)**	**(747)**	**(682)**	**(1,365)**	**(742)**	**(1,452)**
As % of revenues	-2.88%	-2.75%	-1.76%	-0.98%	-1.25%	-1.90%	-1.02%	-1.92%
Capex	**220**	**224**	**314**	**1,101**	**685**	**1,369**	**901**	**1,457**
As % of revenues	0.35%	0.37%	0.51%	1.44%	1.26%	1.90%	1.24%	1.93%

- Management expects an increase of capex level over the Business Plan towards 2% to support the growth of the Company (as a cross-check identified peers show a level of capex around 2% as well)
- In the terminal value, depreciation has been set equal to capex to reflect that no more expansion capex is made
- Management foresees a relatively higher investment budget throughout the Business Plan to finance (i) additional R&D and (ii) the development and implementation of a new ERP system

6. Valuation of Zenitel

CCA method (1/7)

Approach (1/2)

Selection

- We have selected a sample of listed comparable companies by focusing on (global) peers that are:
  - Mainly providing audio and data communication solutions through public address systems, intercom systems, two-way radio and IT/IP solutions;
  - Providing products and services to the following sectors: building security, maritime, energy, transportation, education, healthcare;
  - Having a market capitalization of at least €100m; and
  - Followed by at least 1 equity analyst
- Given the niche sector Zenitel operates in, there are only a limited number of comparable listed peers. We could only identify 2 comparable companies (Aiphone Co. Ltd. and TOA Corporation) and 1 less comparable (TKH Group NV) but still relevant
- TKH Group is less comparable on product/service offering but we still include the company for the following reasons:
  - Its business model is still comparable given it works on a project and tender basis;
  - It is active in the same markets as Zenitel, only with a different product offering; and
  - Commend AG, a 100% subsidiary of TKH, is a direct competitor of Zenitel with a comparable product offering
- Although Aiphone is comparable to Zenitel in terms of product offering, we did not include it in our final analysis for the following reasons:
  - Limited equity research available;
  - Annual reports only available in Japanese; and
  - Unusual trends in its valuation and forecasted financials which we could not figure out or understand given the first 2 arguments above
- Although the selected companies in our peer group show some similarities with Zenitel, it should be emphasized that these companies are not fully comparable to Zenitel, in particular because of differences in geography, size, maturity, operating margin, financial structure and/or business activities

CCA method (2/7)

Approach (2/2)

Calculation of multiples

- Based on the share price of these companies on 3 November 2020, we derived their market capitalization and, subsequently, their EV by adding their latest available net financial debt which we adjusted for (if any):
  - Minority interests;
  - Preferred stock;
  - Pension & healthcare liabilities;
  - Other debt-like items / cash-like items;
  - Investment in associates & other non-operating assets; and
  - Subsequent announced events (shares buyback, dividend payment, etc.)
- We estimated the trading multiples based on the FY19A actual figures, for FY20F and FY21E we used EBITDA and EBIT estimates sourced from equity analysts. We hereby note the following:
  - The EBITDA and EBIT for FY20F and FY21E were estimated by equity analysts taking into account the adjustments they have historically applied to the companies in order to create the best possible comparable basis between companies as well as for each company individually
  - In addition, all financial figures (turnover, EBITDA, EBIT, etc.) required for the analysis have been annualized on 31/12 to make figures comparable between companies
- As the CCA method applies market valuation parameters (i.e. multiples) which are derived from listed peers which in principle report in local GAAP or IFRS, we should apply these multiples in principle on figures of Zenitel which are IFRS based. Yet, we do not have the information to adjust the figures in Zenitel's Business Plan for the IFRS16 reclass

CCA method (3/7)

Company description of selected listed peers

Company	Country	Description	Market Cap (€m)	Adj. NFD (€m)	EV (€m)	Sales 2019 (€m)	EBITDA 2019 (€m)	Employees
AIPHONE Aiphone Co. Ltd.	Japan	▪ Manufactures and sells communication and security systems under the AIPHONE brand name to homes, hospitals, nursing facilities, office buildings, and others worldwide ▪ Products include general intercom devices, door intercoms, electronic security systems, information transmission devices, display panels etc.	197	(144)	53	384	32	1,986
TOA TOA Corporation	Japan	▪ Manufactures and sells sound and video equipment worldwide ▪ Products include public address systems, including microphones, amplifiers, speakers, megaphones, public address/emergency broadcast systems, automatic announcement systems, conference systems, and railway car PA systems and many more	223	(64)	159	370	40	3,312
TKH GROUP TKH Group NV	Netherlands	▪ Develops and delivers telecom, building, and industrial solutions in Europe, Asia, North America, and internationally ▪ Commend AG, a producer of security and communication systems is part of the TKH Group. Its product offering includes intercom terminals, unified PA systems, intercom control systems and software	1,182	418	1,601	1,490	196[1]	5,980

Source: S&P Capital IQ (03/11/2020), Company websites, financial research reports

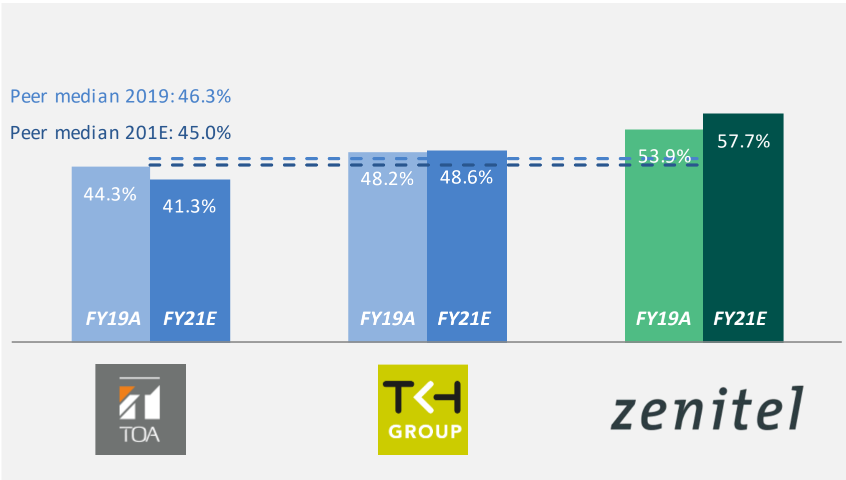
Note: Figures are annualized on 31/12; net financial debt adjustments include minority interests, preferred stock, pension & healthcare liabilities, other debt-like items, investment in associates & other non-operating assets and subsequent announced events (shares buyback, dividend payment, etc.); [1] EBITDA adjusted for €17.9m to exclude IFRS16 accounting rule

CCA method (4/7)

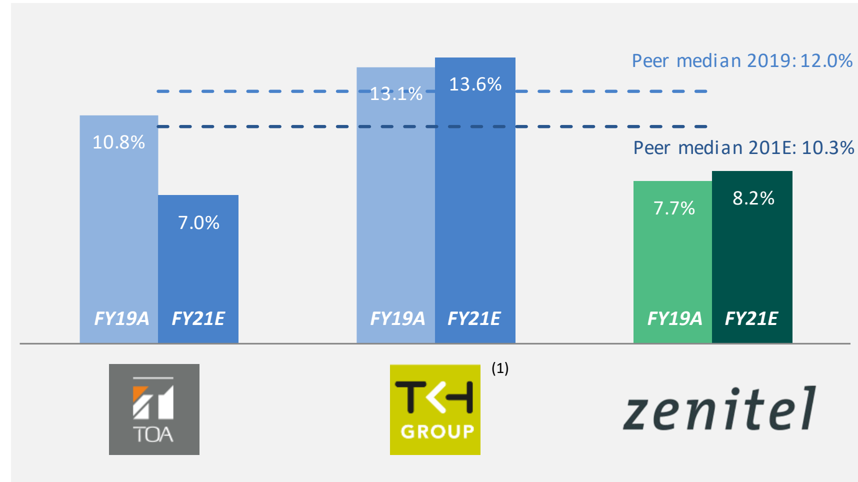
Operational benchmarking

- For Zenitel's 2021E EBIT(DA), we used management figures which are pre-IFRS16 as the information to calculate the IFRS16 reclass for 2021 is not available. For 2019A we used Zenitel's normalized EBIT(DA) figures which are before the IFRS16 reclass

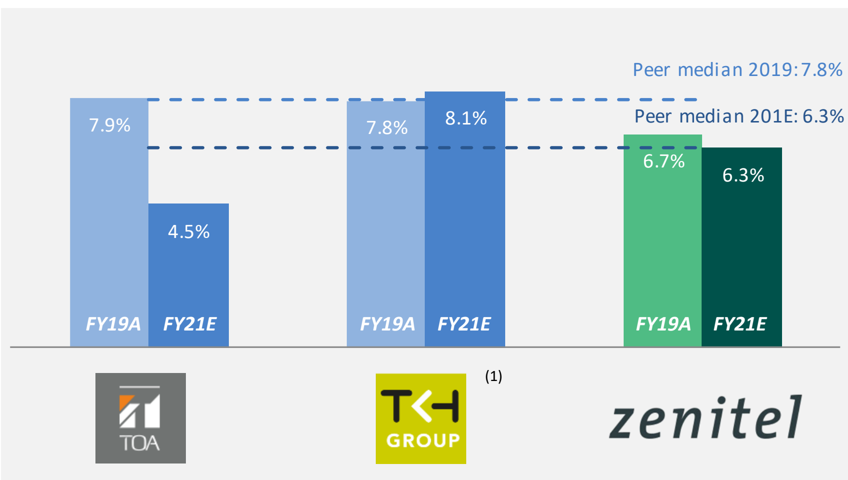
Gross margin



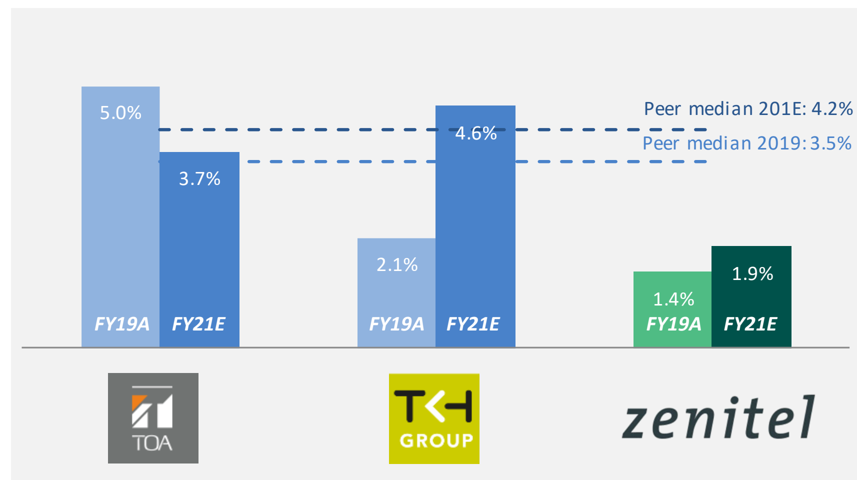
EBITDA margin



EBIT margin



Capex as % of Sales



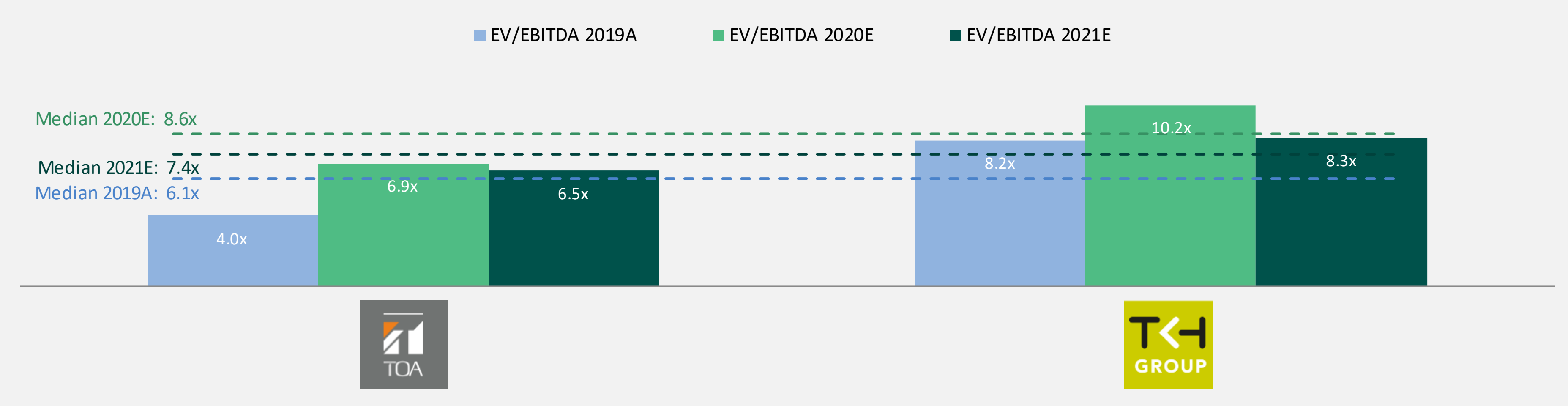
Sources: S&P Capital IQ (03/11/2020), company websites
Note: (1) TKH Group EBITDA and EBIT have been adjusted for the IFRS16 reclass to be in line with Zenitel's pre-IFRS16 figures

CCA method (5/7)

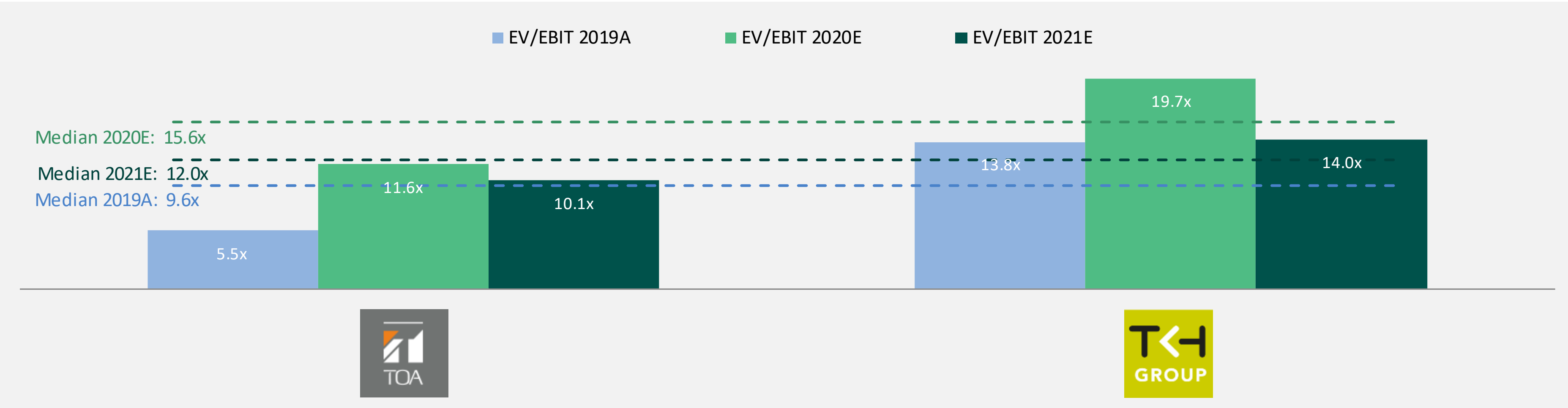
EV/EBIT(DA) multiples

► The multiples of 2019, 2020 and 2021 for TKH Group have been adjusted to exclude the IFRS16 reclass, whereas the financials of TOA Corporation are according to Japanese GAAP (comparable with pre-IFRS16)

EV/EBITDA



EV/EBIT

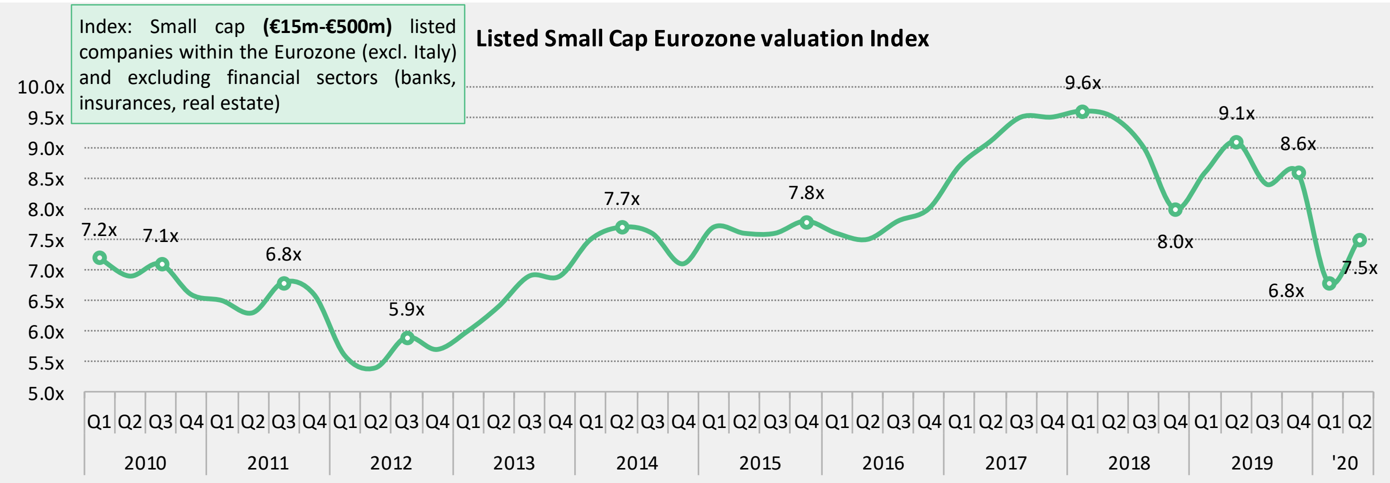


Sources: S&P Capital IQ (03/11/2020), company websites

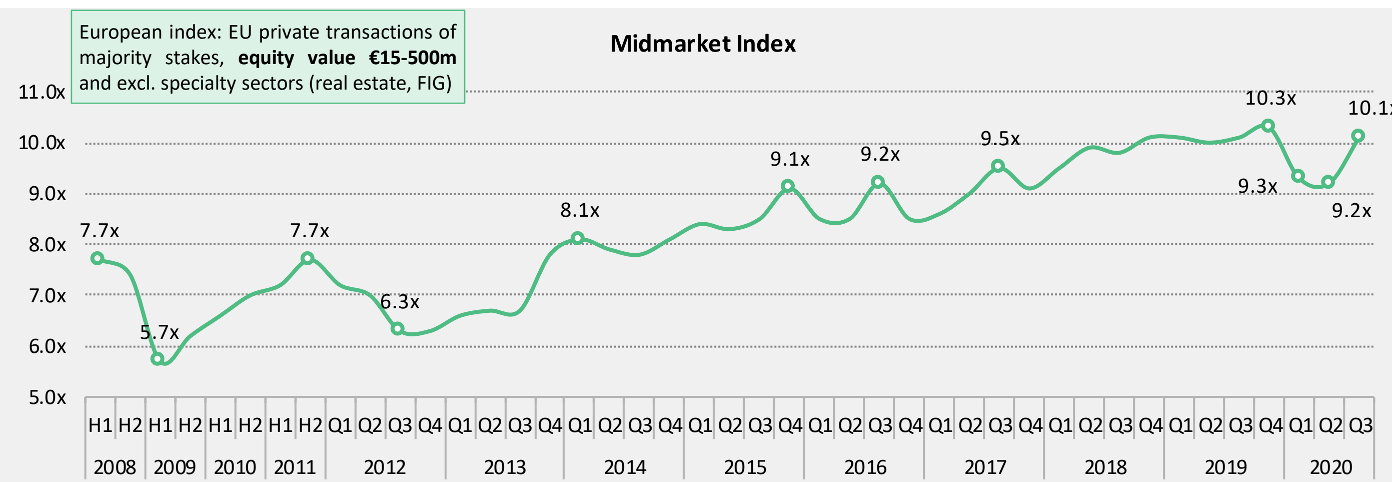
CCA method (6/7)

Valuation indices of European listed and unlisted small caps

Eurozone small cap valuation index (listed companies)



European mid-market valuation index (private companies)



Comments

The Eurozone small cap valuation index for listed companies shows a **median EV/EBITDA level of 7.5x for Q2-2020** which is in line with the valuation outcome of the CCA method (7.9x in FY20F and 7.0 in FY21E)

Stock market valuations crashed in Q1-2020 due to the Covid-19 crisis. In Q2 markets recovered and the index even increased by 10% compared to end of March 2020

The European mid-market valuation index for private M&A transactions shows a **median EV/EBITDA of 10.1x for Q3-2020**

Due to COVID-19 and decreasing revenue (since 3rd quarter 2019), transaction multiples were under pressure in the beginning of 2020 but have recovered in the 2nd half

The large gap between the listed and unlisted company valuation can be partially explained by the fact that for listed companies the valuation is based on a minority stake while for the private companies, only majority stakes are taken into account, thus reflecting a control premium

Source: Epsilon Research; Infront Research
Note: The indexes have been based on the financial published accounts which means for 2019 and onwards these include IFRS16

CCA method (7/7)

Conclusion

(In €m) Before IFRS 16 adjustment	FY19A			FY20F			FY21E		
	P25	Median	P75	P25	Median	P75	P25	Median	P75
Key financials Zenitel (Normalized)									
EBITDA	5.9	5.9	5.9	6.6	6.6	6.6	6.2	6.2	6.2
EBIT	5.1	5.1	5.1	5.2	5.2	5.2	4.7	4.7	4.7
Multiples									
EV/EBITDA	5.0x	6.1x	7.1x	7.7x	8.6x	9.4x	7.0x	7.4x	7.9x
EV/EBIT	7.5x	9.6x	11.7x	13.6x	15.6x	17.7x	11.1x	12.0x	13.0x
Enterprise Value – EV/EBITDA	**29.6**	**35.8**	**42.0**	**50.8**	**56.1**	**61.5**	**43.1**	**45.9**	**48.8**
Enterprise Value – EV/EBIT	**38.7**	**49.4**	**60.1**	**70.9**	**81.3**	**91.7**	**52.6**	**57.1**	**61.6**
Adjusted net financial debt	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6
Equity Value – EV/EBITDA	**44.2**	**50.4**	**56.6**	**65.4**	**70.7**	**76.1**	**57.7**	**60.5**	**63.4**
Equity Value – EV/EBIT	**53.3**	**64.0**	**74.7**	**85.5**	**95.9**	**106.3**	**67.2**	**71.7**	**76.2**
Fully diluted number of shares (m)	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Equity Value per Share (€) – EV/EBITDA	**13.3**	**15.2**	**17.1**	**19.7**	**21.4**	**23.0**	**17.4**	**18.3**	**19.1**
Equity Value per Share (€) – EV/EBIT	**16.1**	**19.3**	**22.6**	**25.8**	**29.0**	**32.1**	**20.3**	**21.7**	**23.0**
Size discount	20%								
Control premium	20%								
Equity Value per Share (€) – EV/EBITDA after size discount and control premium	**12.8**	**14.6**	**16.4**	**19.0**	**20.5**	**22.1**	**16.7**	**17.6**	**18.4**
Equity Value per Share (€) – EV/EBIT after size discount and control premium	**15.5**	**18.6**	**21.7**	**24.8**	**27.8**	**30.8**	**19.5**	**20.8**	**22.1**

Comments

- The Business Plan provided by Zenitel is based on management reporting and is pre-IFRS, as such we used these financials and the "pre-IFRS" multiples of the selected peers to compute the equity value per share range of Zenitel
- A size discount of 20% is applied to Zenitel's equity value to account for the Company's limited size compared to its listed peers
- A control premium of 20% is applied to Zenitel's equity value to account for the fact that trading multiples reflect minority share positions on the stock exchange
- FY20 being a transition year and FY21 being largely in line with FY19 (normalised), we retained the FY21E in order to capture the growth curve of the Company in the future. As such we selected an equity share price range for Zenitel consisting of a combination of the FY21E EV/EBIT and EV/EBITDA multiples
  - Equity share price ranging between €16.7(1) and €22.1(2) with a midpoint of €19.2 (average of FY21E median EV/EBIT(DA) multiples)
- As stated earlier, we do not retain the CCA method as our leading methodology due to the lack of directly comparable listed companies to Zenitel in terms of activities, geographical presence, size, financial performance and maturity and, therefore, we use the FY21E EV/EBIT(DA) multiples merely as a reference point and sanity check for our DCF analysis

Sources: S&P Capital IQ (03/11/2020), company websites
Note: (1) Based on the lowest value of the EV/EBIT(DA) multiples for the 25th percentile of FY21E; (2) Based on the highest value of the EV/EBIT(DA) multiples for the 75th percentile of FY21E

6. Valuation of Zenitel

CTA method (1/2)

Approach

Selection procedure

- We have analyzed a wide sample of transactions by focusing on acquired targets that are:
  - Mainly providing audio and data communication solutions through public address systems, intercom systems, two-way radio and IT/IP solutions;
  - Providing products and services to the following sectors: building security, maritime, energy, transportation, education, healthcare; and
- We have only identified 2 transactions since 2015 for which sufficient financial information was available to determine the valuation multiples (based on the latest historical financial figures at the time of the transaction).The sample is rather limited as the relevant transaction information is typically more difficult to source as it is often not publicly disclosed
- Furthermore, it should be emphasized that most of the transaction multiples are not directly applicable to Zenitel as they could be influenced by a series of factors such as:
  - Potential control premium, if the transaction implies a controlling stake;
  - Financial performance, risk & growth profile of the target;
  - The business characteristics of the target such as its business activity, product & service mix, geographical presence, etc.;
  - Potential synergies (partially) included in the price paid by the acquirer; and
  - The timing of the transaction
- Consequently, the transaction multiples in this Report are not retained as a valuation method
- EVs are calculated for 100.0% of the acquired companies and when the financial information is provided in a non-euro currency, it was translated in euro using exchanges rates as per the Announcement date

CTA method (2/2)

Overview of relevant transactions

Date	Buyer	Target	Country	Target description	Stake (%)	EV (€m)	EV/ Revenue	EV/ EBITDA	EV/ EBIT
22/10/2018	Canon	**Axis Communications**	Sweden	Develops and sells video surveillance and access control solutions	13.4%	2,282	2.46x	16.2x	17.6x
10/02/2015	Canon	**Axis Communications**	Sweden	Develops and sells video surveillance and access control solutions	84%	2,431	4.06x	26.0x	29.2x
						25th percentile	*2.86x*	*18.6x*	*20.5x*
						Median	**3.26x**	**21.1x**	**23.4x**
						Average	**3.26x**	**21.1x**	**23.4x**
						75th percentile	*3.66x*	*23.6x*	*26.3x*

Comments

- The method is excluded from our valuation approach, considering the following:
  1. The lack of companies comparable to Zenitel in terms of activities, size, geographical presence and maturity;
  2. The limited availability of transaction-specific information; and
  3. The fact that the only 2 relevant transactions are for the same company and for which the most recent is a minority transaction
- We therefore consider it hazardeous to present valuation levels based upon the application of non-representative multiples

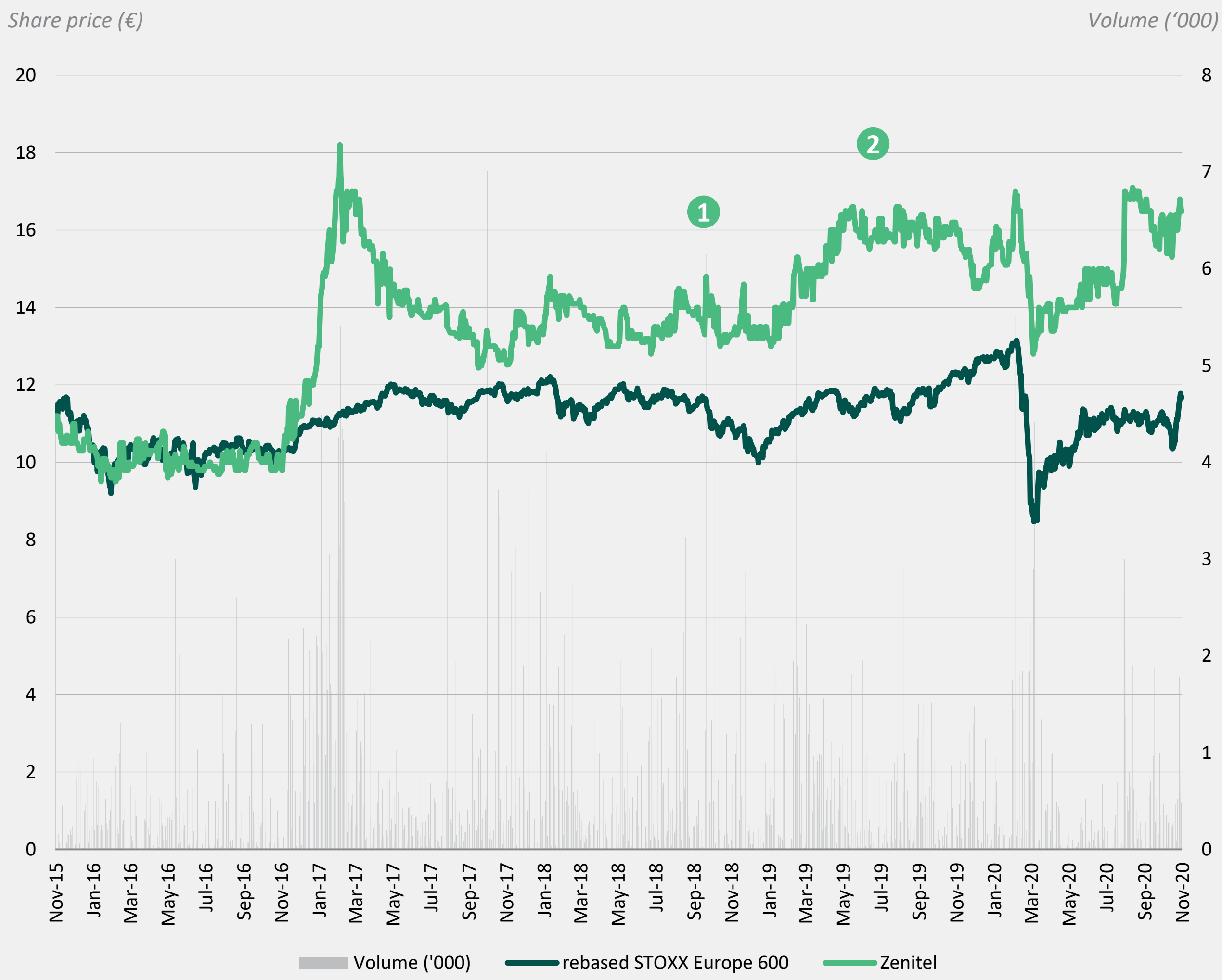
Source: Mergermarket; S&P Capital IQ; Company websites

6. Valuation of Zenitel

Additional valuation considerations (1/4)

Share performance analysis (1/3)

5-year share performance evolution (pre-Announcement)



- Zenitel is listed on Euronext Brussels since 1965. Zenitel shares are quoted with a double call auction due to its low liquidity
- The graph shows the evolution of the stock market price of Zenitel as well as the volumes exchanged in the five years preceding the Announcement on 16 November 2020 to launch a take-over bid on all remaining Zenitel floating shares
- Over a 5-year period, Zenitel shares outperformed the STOXX Europe 600, increasing by 47%, or 8.1% yearly on a compound basis
- Some key events to highlight are:

  1 **12 October 2018:**

  Zenitel announces the acquisition of Phontech operations from Jotron AS. The deal involves the Intercom and Public Address business from Jotron AS. Revenue of Phontech was at €7.3m in 2017. Zenitel expects the Phontech business to be contributing to operating cash flow as of 2020.

  2 **8 August 2019:**

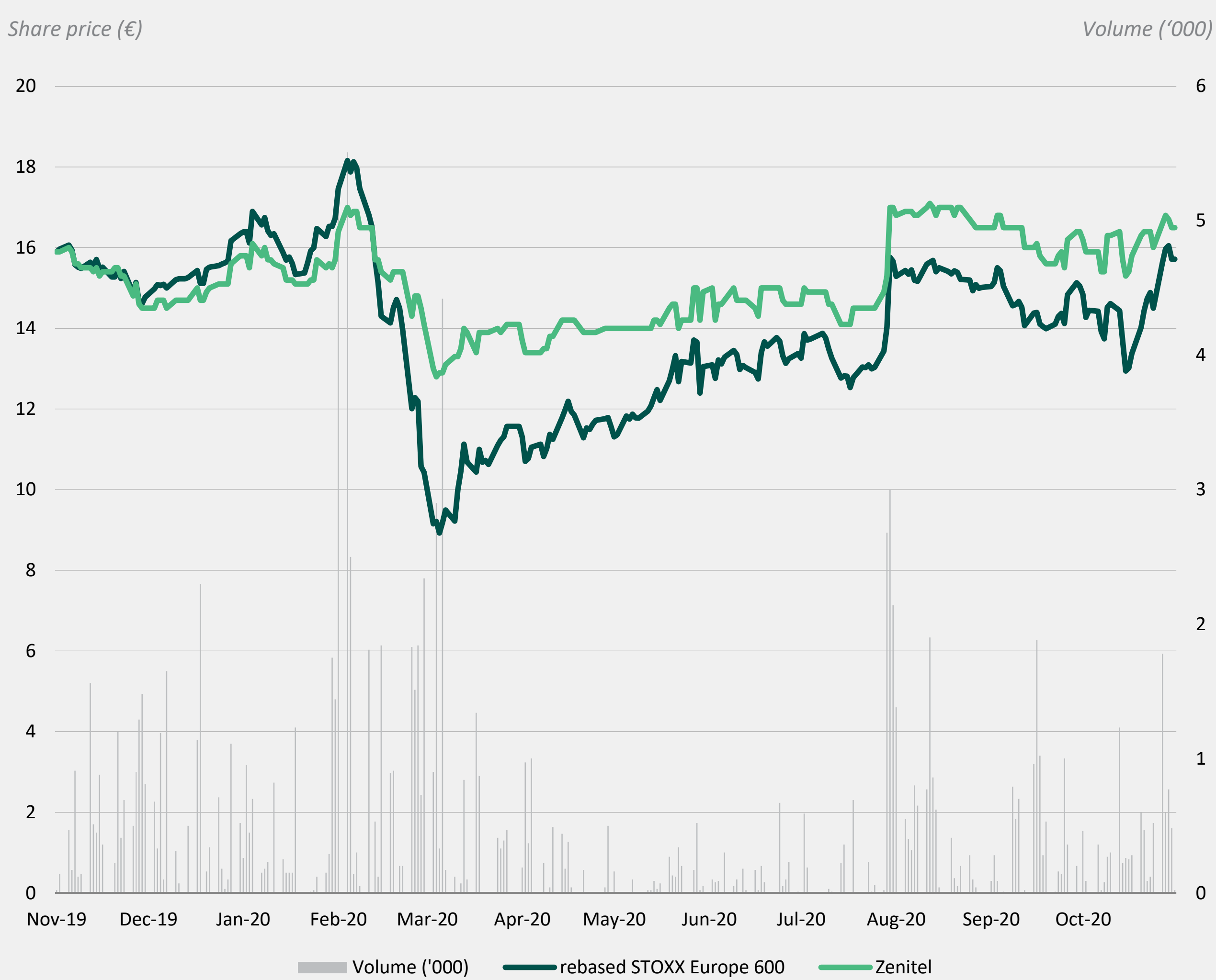
  Zenitel announces the appointment of new CEO Koen Claerbout. Koen Claerbout took over from Norwegian Kenneth Dastol. Claerbout had gained extensive experience in the sector as CEO of Audioprof.

Source: S&P Capital IQ, press releases

Additional valuation considerations (2/4)

Share performance analysis (2/3)

1-year share performance evolution (pre-Announcement)



- Over the last year preceding the Announcement, Zenitel share price outperformed the STOXX Europe 600 index, increasing by 3%
- On 13 November 2020, Zenitel share price reached €16.50, representing a market capitalisation of c. €55m
- On 16 November 2020, it was announced that the preliminary offer price was set at €22.75. On 22 February 2021, the Bidder announced a final offer price of €23.25 (the ''Offer Price'')

	Avg share price	High	Low
Last 6 months	15.5	17.1	14.0
LTM	15.2	17.1	12.8
L3Y	14.6	17.1	12.5

Source: S&P Capital IQ, press releases

Additional valuation considerations (3/4)

Share performance analysis (3/3)

Premium and liquidity analysis

	Average	Max	Min	VWAP
Share price (€) before the Announcement				
Last trading day before the Announcement	16.5	16.5	16.5	16.5
1 month	16.1	16.8	15.3	16.3
3 months	16.4	17.1	15.3	16.5
6 months	15.5	17.1	14.0	16.1
12 months	15.2	17.1	12.8	15.4
Premium (%) on offered price (€23.25)				
Last trading day before the Announcement	41%	41%	41%	41%
1 month	44%	38%	52%	42%
3 months	42%	36%	52%	41%
6 months	50%	36%	66%	44%
12 months	53%	36%	82%	51%
Daily volumes ('000)				
1 month	0.4	1.8	0.0	-
3 months	0.4	2.1	0.0	-
6 months	0.3	3.0	0.0	-
12 months	0.5	5.5	0.0	-

- The table on the left shows a detailed analysis of the evolution of Zenitel's price over the selected periods before the Announcement. For each period, the following elements were observed:
  - The average share price;
  - The highest share price;
  - The lowest share price; and
  - The volume weighted average share price ("VWAP")
- The Offer Price was then compared to the different share prices aforementioned
  - Compared to the closing share price the day before the Announcement, the Offer Price represents a premium of 41%
  - Compared to the average 3-month share price before the Announcement, the Offer Price represents a premium of 42%
  - Compared to the average 12-month share price before the Announcement, the Offer Price represents a premium of 53%
- Over the last year preceding the Announcement, 124,340 shares were traded, representing 3.8% of the 3,308,380 outstanding shares
- These observation indicates that the market for Zenitel shares is quite illiquid

Source: S&P Capital IQ, press releases

Additional valuation considerations (4/4)

Public bid premiums analysis

Belgian public bid premiums from controlling shareholders

Announcement Date	Target Company	Acquiror		Prior to announcement	1 month average	3 months average
3/10/2018	Connect Group	IPTE Factory Automation		40%	36%	43%
19/10/2017	PCB	OCP		50%	50%	45%
19/06/2017	Sapec	Soclinpar		84%	81%	67%
4/09/2015	CMB	Saverco		20%	15%	19%
16/01/2014	Cimescaut	Interbeton		21%	21%	21%
21/10/2013	Henex	UFB		26%	26%	26%
12/10/2012	Duvel Moortgat	Fibemi		9%	12%	19%
30/08/2012	VPK Packaging	Auriga Finance		17%	18%	17%
27/05/2011	Omega Pharma	Couckinvest		13%	10%	7%
3/03/2011	CNP	Fingen		22%	19%	24%
3/06/2010	EPIQ	Elex		22%	33%	38%
Public bids from controlling shareholders			*Percentile 25th*	*18.7%*	*16.6%*	*19.0%*
			Median	**22.0%**	**21.4%**	**24.5%**
			Average	**29.6%**	**29.2%**	**29.8%**
			Percentile 75th	*33.4%*	*34.4%*	*40.7%*
Implied Zenitel take-over share price			*Percentile 25th*	*19.6*	*19.2*	*19.6*
			Median	***20.1***	***20.0***	***20.5***
			Percentile 75th	*22.0*	*22.2*	*23.2*

- The table aside shows voluntary public takeover bids from controlling shareholders for companies listed on the main market of Euronext Brussels (excluding real estate certificates) since 2010
- Only successful takeover bids were considered
- The historical average and median premium paid by controlling shareholders over the last 10 years in Belgium compared to the pre-announcement share price amounts to 22.0% and 29.6% respectively
- As mentioned on page 46, the Offer Price represents a premium of 41% compared to the pre-Announcement share price of Zenitel and a premium of 42% compared to the 3-month average Zenitel share price
- Due to the limited liquidity of the Zenitel share, this valuation consideration served merely as a reference point
- Since 3D and De Wilg have been acting in concert over the last years, representing together 60% of the share capital, we consider Zenitel to be already in a position of controlling shareholder
- Based on the 25th and 75th percentile of premiums (compared to latest share price prior to announcement) on public bids from controlling shareholders, an implied take-over share price range of €19.6 – €22.0 is obtained

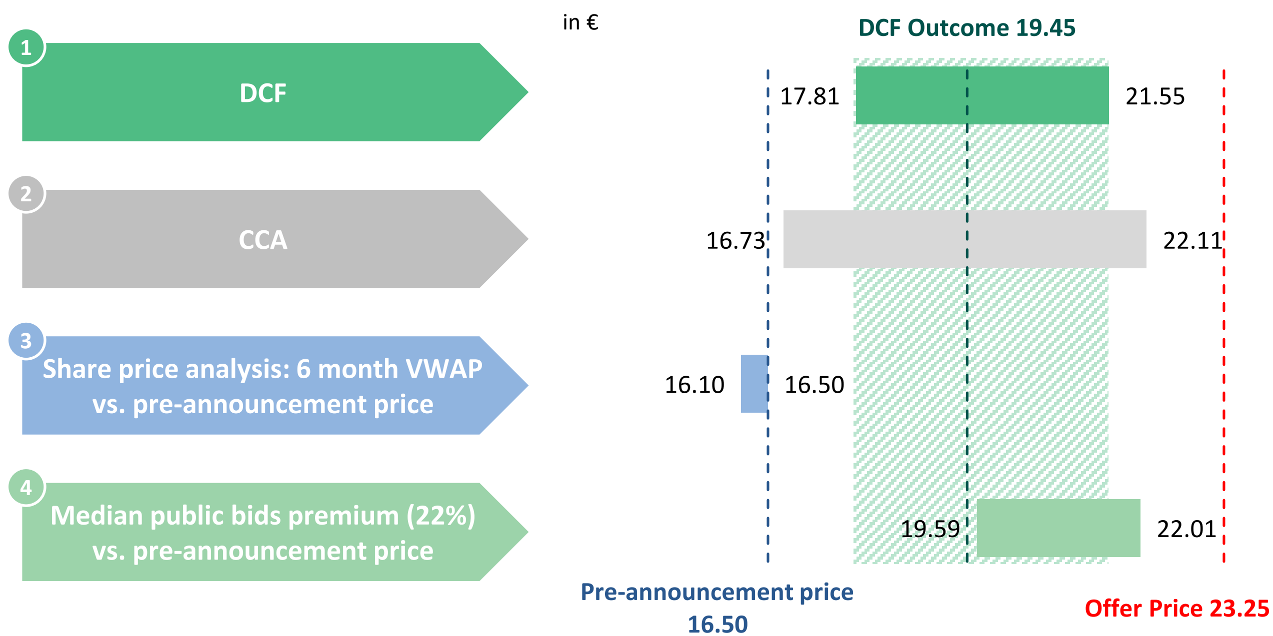
Source: S&P Capital IQ, Factset, FSMA
Note: Premiums are computed on the last closing price preceding the Announcement

7. Conclusion

Conclusion (1/2)

Conclusion on Zenitel's share valuation

Estimated Zenitel share value (€)



- As previously mentioned, the DCF is the preferred method for our valuation exercise considering that (i) it gives an intrinsic value of Zenitel and also captures its own growth pattern as shown in the Business Plan prepared by management (ii) limited relevant and/or representative information identified for the use of other valuation methods
- In the perspective of the voluntary conditional public take-over bid intended by 3D for the acquisition of the remaining Zenitel shares, we have estimated the value of one Zenitel share in a range of €17.8 and €21.5 with the DCF outcome at €19.4 as further detailed on page 29
- The CCA method, share price performance analysis and historical public bids premium analysis are only used as a cross check and as such have no impact on our valuation range shown above. The outcome of these three additional methods only supports the valuation range established with the DCF method

Note: the upper and lower range of the DCF were calculated based on a +/- 1% change in the WACC output; The range for the CCA method was derived as mentioned on page 39; The range for the public bids premium is determined based on the 25th and 75th percentile for the pre-announcement date as mentioned on page 47

Conclusion (2/2)

- 3D has announced its intention to launch a voluntary conditional public take-over bid on the shares of Zenitel it does not own for a consideration of €23.25 per share, representing a 41% premium compared to the closing share price the day prior to the Announcement date
- On the basis of the valuation range established on the previous page, the Offer Price of 3D lies above the high-end of our valuation range
- Considering the latter observation, we are of the opinion that the Offer Price is fair and respects the interests of the minority shareholders

8. Analysis of the valuation performed by the Bidder

Analysis of the valuation performed by the Bidder (1/5)

- This section includes DPCF's view on the valuation performed by the Bidder together with its advisor, KBC Securities ("KBC"), in support of their Offer Price
- We received the valuation from the Bidder and its advisor, KBC, on 10 November 2020. Furthermore, DPCF had several conference calls (on 29 October and on 4 and 10 November) with KBC to discuss (i) their approach, (ii) the underlying assumptions and (iii) the different valuation methods they applied to determine the Offer Price
- The valuation methods used by the Bidder/KBC to determine the Offer Price are the following:
  - DCF analysis;
  - Zenitel share price performance; and
  - Bid premiums for Belgian public takeover transactions
- As such, the Bidder/KBC has used the same valuation methods/approaches as DPCF, but they did not retain the CCA method. The Bidder/KBC also considered the DCF approach to be the leading valuation method while the other methods/approaches are merely used as reference points and sanity checks

1

	WACC calculation	Bidder/KBC	DPCF
DCF	Unlevered beta	0.84 *Damodaran (Telecom Equipment)*	0.96 *Damodaran (weighted avg of Telecom Equipment, Engineering/construction and Shipbuilding & Marine)*
	Market risk premium	6.1% *Damodaran (Risk premium for mature markets (5.23%) + Country-specific risk premium (0.89%))*	7.07% *Degroof Petercam estimate of LTM avg of market risk premium*
	Size premium	3.70% *Ibbotson*	3.55% *Duff & Phelps*
	Cost of debt	2.4% *Current interest on interest-bearing instruments (excluding operational leasing)*	1.76% *Average spread of BB+ rated bonds (based on synthetic rating estimation for Zenitel)*
	Risk-free rate	2.2% *Long-term avg interest rate on 10y Belgian government bonds since 2007*	-0.12% *LTM average of 10y French government bonds*
	Target capital structure	5% - 95% *Current capital structure*	15% - 85% *(i) Damodaran target gearing ratios for Telecom Equipment, (ii) management discussions and (iii) peers benchmarking*
	Tax rate	22.8% *Weighted avg of tax rates in countries where revenue is generated*	22.0% *Norwegian tax rate*
	WACC	**10.80%**	**9.72%**

Analysis of the valuation performed by the Bidder (2/5)

1

DCF

- **Business Plan:** Bidder/KBC and DPCF use the same Business Plan provided by the Management (without adjustment) and both use a mid-year discounting convention
- **Valuation Date:** Bidder/KBC values the Company as of 31.12 based on FY20A figures. We elected to value the Company as of 30.09 considering that: (i) 30.09 financials were the latest available as of the Announcement date (ii) 30.09 financials have been provided under Management reporting format which is consistent with the format of the Business Plan also provided by the Management. DPCF takes into account 3 months of remaining cash flows for 2020 considering the valuation date. The valuation date has however negligible impact on the valuation.
- **Risk-free rate:** Bidder/KBC uses a higher risk-free rate of 2.2% compared to a RFR of -0.12% for DPCF. Bidder/KBC uses a historical long-term average, whereas we prefer to use LTM average rates as they reflect current market conditions. Both approaches make sense as long as they are consistent with the overall methodology used and other components of the WACC calculation. As such, the RFR should be considered together with the market risk premium and a change in the RFR should lead to a change in the MRP.
- **Unlevered Beta:** Bidder/KBC only considers Zenitel's own industry, whereas we also include to a certain extent the two industries to which Zenitel has the most important business exposure
- **Market risk premium:** Bidder/KBC uses Damodaran risk premium for mature markets and add a country-specific risk premium. Damodaran is recognized among valuation experts. We however note that the risk-free rate implied in Damodaran's market risk premium may differ from KBC's selected RFR (historical long-term average). DPCF is taking a LTM market risk premium which is consistent with the risk-free rate we selected
- **Size Premium**: Bidder/KBC uses the same reasoning as we but a different source which results in a slightly higher size premium for the Bidder/KBC. The impact of this difference on the share price is negligible
- **Cost of debt:** Bidder/KBC uses the current interest on interest-bearing instruments (hence based on historical view) while we calculated an estimated cost of debt for the company at current markets conditions. Given the strong equity-dependent capital structure of Zenitel, the impact of a change in the cost of debt on the WACC and the equity value is negligible
- **Target capital structure:** Bidder/KBC uses the current capital structure of Zenitel, whereas we have opted for a target capital structure taking into account (i) Damodaran's target gearing ratios for Telecom Equipment, (ii) discussions with Management and current capital structure (iii) peers benchmarking
- **Tax rate:** Bidder/KBC takes into account the weighted average of tax rates in countries where revenue is generated, whereas we have taken the tax rate where most company profit is taxed (i.e. Norway). This results in only a minor difference in tax rate and as can be expected, the effect on the WACC, equity value and share price is negligible

Analysis of the valuation performed by the Bidder (3/5)

2 Share price performance analysis

- We analysed the evolution of the historical share price of Zenitel over different periods of time taking into consideration the traded volumes in a similar manner as the Bidder/KBC. We observed two minor differences in the approach of the Bidder/KBC vs. our own, i.e.:
  - The duration of the analyzed period, i.e. 5 years compared to 10 years by the Bidder/KBC; and
  - The benchmarking of the share price with the STOXX Europe 600 while the Bidder/KBC did not provide a benchmarking
- The results of the premium and liquidity analysis of 12 months prior to the Announcement date are identical to those of the Bidder/KBC. We agree with the results of the analysis performed by the Bidder/KBC and with the Bidder/KBC's statement that the historical share price analysis is considered to be not more than a reference point given the lack of liquidity of the Zenitel share

3 Bid premium analysis

- Like DPCF, the Bidder/KBC did not consider the bid premiums for Belgian voluntary public takeover transactions as a primary valuation method given the very limited liquidity of the Zenitel share but used the method as a cross-check for the DCF outcome. DPCF listed the bid premiums paid for Belgian public takeover transactions during the period 2010-2020 by controlling bidders
- We can confirm that this list is complete and that the Bidder/KBC have included the same transactions as in our selection

4 CCA

- We agree with the Bidder/KBC that the CCA method is not a preferred valuation method; nevertheless we did include this method as a reference point while the Bidder/KBC did not and only showed the outcome on a purely informative basis. The Bidder/KBC mentions the following reasons for not including the valuation method:
  - Only a limited number of peers available; and
  - Significant differences of these peers compared to Zenitel on:
    - Product/service offering;
    - Geographical focus; and
    - Growth and financial profile

Analysis of the valuation performed by the Bidder (4/5)

4

CCA

- Like us, the Bidder/KBC has selected 2 comparable companies, however this selection differs from ours. Unlike the Bidder/KBC, we have not withheld:
  - Aiphone Co.
- Although Aiphone is comparable to Zenitel in terms of product offering, we did not include it in our final analysis for the following reasons:
  - Limited equity research available;
  - Annual reports only available in Japanese; and
  - Unusual trends in its valuation and forecasted financials which we could not figure out or understand given the first 2 arguments above
- Unlike the Bidder/KBC, we also selected the following company:
  - TKH Group
- Although TKH Group is less comparable on product/service offering, we still included the company in our analysis for the following reasons:
  - Its business model is still comparable given it works on a project and tender basis;
  - It is active in the same markets as Zenitel, only with a different product offering; and
  - Commend AG, a 100% subsidiary of TKH, is a direct competitor of Zenitel with a comparable product offering
- We note that the presented multiples for TOA Corporation slightly differ with those included in the Bidder/KBC's analysis. We believe this is due to the following:
  - **Exchange rate**: A different exchange rate (JPY/EUR) of 0.00815 vs. 0.0082785 of the Bidder/KBC. It leads to differences in EV, Equity value and all the financial figures (Sales, EBIT(DA), etc.); and
  - **EBIT(DA):** Unlike the Bidder/KBC, we annualized the financial figures (Sales, EBIT and EBITDA) which means that we recalculated the figures on a calendar year basis (31 December) in order to be as comparable as possible with Zenitel who reports on 31 December. (TOA Corporation's reporting period ends on 31 March)

Analysis of the valuation performed by the Bidder (5/5)

5

CTA

- The Bidder/KBC has excluded the CTA method from its analysis and has mentioned the following reason:
  - i) Only a limited amount of data points available;
  - ii) Significant differences in target markets and operating segments between Zenitel and the target of the selected comparable transactions;
  - iii) The fact that precedent transactions are subject to company-specific factors affecting the valuation; and
  - iv) The fact that multiples of comparable transactions are based on historical financial data
- We agree with the Bidder/KBC on all of the above points for not including the valuation method. Yet, whereas the Bidder/KBC still presents the outcome of this method on a purely informative basis, we do not. We only present our primary data findings and explain why it is in our view hazardous to derive valuation levels on such poor basis
- Nevertheless, the Bidder/KBC has identified one additional relevant comparable transaction based on similar selection criteria as we use
  - The acquisition of IndigoVision Group Plc by Motorola Solutions Inc. (17/03/2020)
- As mentioned by the Bidder/KBC, IndigoVision is only active in the market of end-to-end video surveillance (CCTV) market which is only a small part of Zenitel's business. For this reason, we did not include the transaction in our overview. Although Axis Communications (transactions we selected) is also active in the same market as IndigoVision, we think Axis Communications is slightly more comparable to Zenitel as they also offer IP intercoms and public address communication systems such as Zenitel. For this reason we choose to present the transactions of Axis Communications and not the transaction of IndigoVision

9. Appendices

Appendix 1

List of information received

- As part of our valuation, we received the following information:
  1. Market information:
     - Global IP Intercom Market Research Report (QYResearch)
  2. Financial information:
     - Historical management reporting
     - Current trading update as of 30 Sep-20 (Management reporting)
     - Business Plan (Management reporting) drawn up by the Company for the period FY2020 - FY2025 (last updated on 12/11/2020)
     - LTM Net Working Capital
  3. Valuation carried out by the Bidder and his advisor:
     - Version as of 10 Nov-20

Appendix 2

Past experience in fairness opinion assignments (1/2)

Food & Beverage

bpifrance

sold a minority stake in

Avril Pôle végétal

Fairness opinion

Financial Expert
January 2020

Technology

IPTE

acquired

CONNECT GROUP
INTEGRATED SUBCONTRACTORS

Fairness opinion regarding the public takeover bid

Financial Expert
June 2019

Healthcare

OCP

acquired

PCB

Fairness opinion regarding the public takeover bid

Financial Expert
March 2019

Real Estate

vastned
Venues for Premium Shopping

acquired

vastned
Retail Belgium

Fairness opinion regarding the public takeover bid

Financial Expert
April 2018

Business Services

CGG

Fairness opinion on the relative treatment of Senior Noteholder and Convertible Bondholders

€ 2,800m

Financial Expert
December 2017

Energy & Utilities

FLUXYS

Fairness opinion in the framework of Article 524 Belgian Company Code

Financial Expert
September 2017

Food & Beverage

GREENYARD FOODS

Fairness opinion in the framework of Article 524 Belgian Company Code

Financial Expert
March 2017

Technology

bpifrance

acquired a minority stake in

ST
life.augmented

Fairness opinion

Financial Expert
November 2016

Materials & Chemicals

bpifrance

sold a minority stake in

eramet

Fairness opinion

Financial Expert
August 2016

Consumer & Retail

Perennitas SA

acquired

Pairi Daiza

Fairness opinion regarding the public takeover bid

Financial Expert
February 2016

Materials & Chemicals

Tessenderlo Group

Contribution agreement w/

PICANOL GROUP

Fairness opinion

Financial Expert
December 2015

Materials & Chemicals

PICANOL GROUP

Capital increase by means of rights issue by

Tessenderlo Group

Fairness opinion

Financial Expert
September 2014

Appendix 2

Past experience in fairness opinion assignments (2/2)

Financial Services	Union Financière Boël acquired Henex — Fairness opinion regarding the public takeover bid	Financial Expert	December 2013
Energy & Utilities	Nostrum Oil & Gas — Fairness opinion	Financial Expert	October 2013
Industrials	Bencis capital partners, Gimv acquired Xeikon — Fairness opinion regarding the public takeover bid	Financial Expert	August 2013
Financial Services	GBL — Fairness opinion regarding the subscription by GBL to the Sagard III fund promoted by Power Corporation of Canada	Financial Expert	February 2013
Financial Services	GBL — Fairness opinion regarding promotion and subscription of/to Alladin Credit Fund by GBL in partnership with Sagard III fund	Financial Expert	February 2013
Technology	Canon acquired IRIS — Fairness opinion regarding the public takeover bid	Financial Expert	September 2012
Materials & Chemicals	Auriga Finance SA acquired VPK Packaging Group — Fairness opinion regarding the public takeover bid	Financial Expert	September 2012
Technology	telenet — Fairness opinion regarding share buy-back through self offer, change of capital structure and incurrence of additional financing debt	Financial Expert	August 2012
Financial Services	Fingen acquired CNP — Fairness opinion regarding the public takeover bid	Financial Expert	March 2011
Energy & Utilities	Electrabel GDF SUEZ — Fairness opinion regarding financial conditions proposed to Electrabel concerning combination of Intl. Power and GDF SUEZ	Financial Expert	September 2010
Materials & Chemicals	Lhoist — Squeeze-out bid — Fairness opinion	Financial Expert	August 2010
Energy & Utilities	FLUXYS — Fairness opinion regarding the sale of Fluxys' non-regulated businesses	Financial Expert	June 2010

Appendix 3

Beta calculation

- Beta used in the WACC calculation is based on a weighted average of selected Damodaran beta's of industries to which Zenitel is exposed :

Sector	***Weight***	***Beta***
Telecom Equipment	60%	1.09
Engineering & Construction	20%	0.70
Shipbuilding & Marine	20%	0.84
Weighted average		***0.96***

Appendix 4
Duff & Phelps

- Size discount is determined using the Duff & Phelps international Guide to Cost of Capital (2018)

Equity value	***Size discount***
€ 1m - € 7m	13.72%
€ 7m - € 15m	9.28%
€ 15m - € 27m	6.75%
€ 27m - € 41m	5.30%
€ 41m - € 63m	4.32%
€ 63m - € 99m	3.55%
€ 99m - € 153m	2.95%
€ 153m - € 227m	2.53%
€ 227m - € 341m	2.25%
€ 341m - € 543m	2.05%
€ 543m - € 835m	1.93%
€ 835m - € 1,411m	1.86%
€ 1,411m - € 2,423m	1.80%
€ 2,423m - € 4,589m	1.70%
€ 4,589m - € 10,525m	1.44%
€ 10,525m - € 69,863m	(0.49%)

Equity value between €63m to €99m leads to a size discount of 3.55%

Appendix 5

Overview of the peer group multiples

					EV/Sales			EV/EBITDA			EV/EBIT			Debt/ EBITDA	Adj. NFD/ EBITDA
Company	**Country**	**Mkt cap**	**Adj. NFD**	**EV**	**2019A**	**2020E**	**2021E**	**2019A**	**2020E**	**2021E**	**2019A**	**2020E**	**2021E**	**LTM**	**LTM**
TOA		223	(64)	159	0.43x	0.47x	0.46x	4.0x	6.9x	6.5x	5.5x	11.6x	10.1x	0.7x	-1.6x
TKH GROUP		1,182	418	1,601	1.07x	1.20x	1.13x	8.2x	10.2x	8.3x	13.8x	19.7x	14.0x	2.5x	2.0x
				P75	**0.59x**	**0.65x**	**0.63x**	**5.0x**	**7.7x**	**7.0x**	**7.5x**	**13.6x**	**11.1x**	**1.2x**	**(0.7x)**
				Median	**0.75x**	**0.83x**	**0.79x**	**6.1x**	**8.6x**	**7.4x**	**9.6x**	**15.6x**	**12.0x**	**1.6x**	**0.2x**
				P25	**0.91x**	**1.02x**	**0.96x**	**7.1x**	**9.4x**	**7.9x**	**11.7x**	**17.7x**	**13.0x**	**2.0x**	**1.1x**

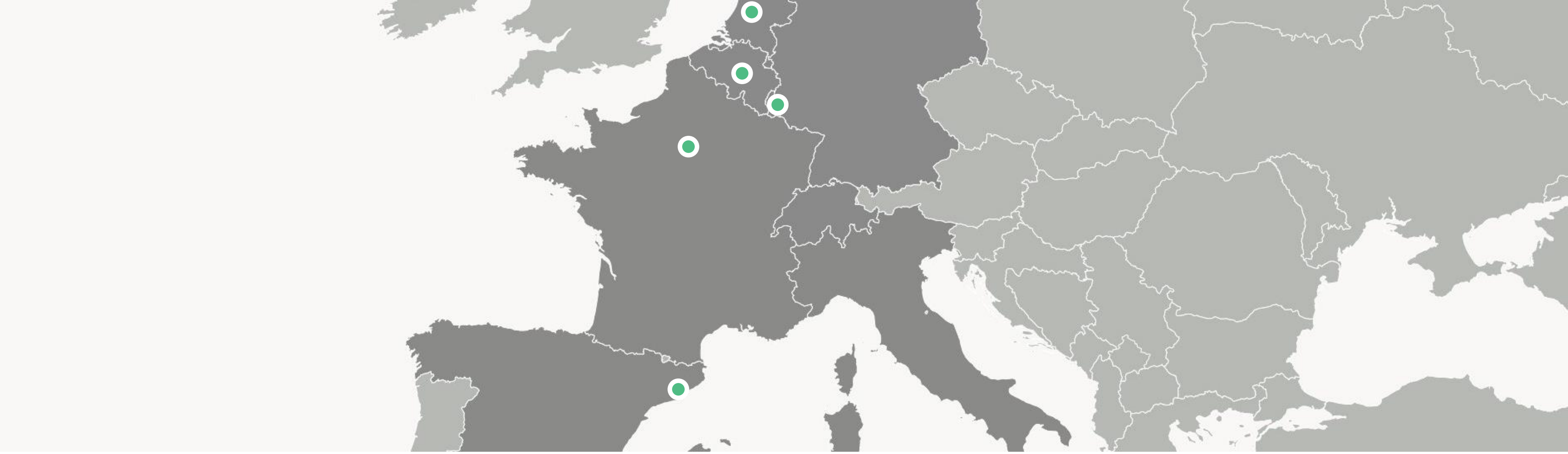
Source: S&P Capital IQ (03/11/2020)

Appendix 6

Overview of the peer group KPIs

		Sales CAGR		EBITDA margin			EBIT margin			Capex as % of Sales		
Company	**Country**	**'16A-'19A**	**'19A-'21E**	**2019A**	**2020E**	**2021E**	**2019A**	**2020E**	**2021E**	**2019A**	**2020E**	**2021E**
TOA		0.3%	(3.1%)	10.8%	6.7%	7.0%	7.9%	4.0%	4.5%	5.0%	7.3%	3.7%
TKH GROUP		3.6%	(2.5%)	13.1%	11.8%	13.6%	7.8%	6.1%	8.1%	2.1%	3.8%	4.6%
	P75	**1.1%**	**(3.0%)**	**11.4%**	**8.0%**	**8.7%**	**7.8%**	**4.5%**	**5.4%**	**2.8%**	**5.5%**	**4.2%**
	Median	**2.0%**	**(2.8%)**	**12.0%**	**9.3%**	**10.3%**	**7.8%**	**5.1%**	**6.3%**	**3.5%**	**3.8%**	**3.7%**
	P25	**2.8%**	**(2.7%)**	**12.6%**	**10.5%**	**11.9%**	**7.9%**	**5.6%**	**7.2%**	**4.3%**	**1.9%**	**1.9%**

Source: S&P Capital IQ (03/11/2020)



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