

**Elia Group**

**Société anonyme / Naamloze vennootschap**

Boulevard de l'Empereur / Keizerslaan 20

1000 Brussels

Company number 0476.388.378 (RLE Brussels)

(the "**Company**")

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**SPECIAL REPORT OF THE BOARD OF DIRECTORS ON THE USE AND  
PURPOSE OF THE AUTHORISED CAPITAL PREPARED IN  
ACCORDANCE WITH ARTICLES 7:199 AND 7:155 OF THE BELGIAN  
CODE OF COMPANIES AND ASSOCIATIONS**

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**1 Purpose of this report**

In accordance with Article 7:199 of the Belgian Code of Companies and Associations (the "**Code**"), the board of directors of the Company (the "**Board of Directors**") reports to the extraordinary general meeting of 21 May 2024 (or to the second meeting in the event that the required attendance quorum is not reached at the first meeting) (the "**Meeting**") regarding the proposal to grant the Board of Directors the authorisation to increase the Company's capital according to the parameters and pursuing the objectives described below.

If this authorisation is granted, the Board of Directors could possibly issue new shares not in proportion to the number of shares issued within each class, which would constitute a modification of the rights attached to each class within the meaning of Article 7:155 of the Code. Accordingly, this report has also been prepared in accordance with Article 7:155 of the Code and contains a justification of the proposed amendments and their effect on the rights attached to each class of shares in the Company.

**2 Authorised capital objectives**

The authorised capital enables the Board of Directors to safeguard the Company's interests and to react appropriately, particularly in circumstances that require a certain flexibility and/or speed of execution in terms of capital increases.

The Board of Directors proposes that the Meeting authorises the Board to increase the capital for the sole purpose of (i) supporting regulated investments in Belgium and Germany in the subsidiaries Elia Transmission Belgium and Elia Asset and in the German subsidiaries Eurogrid GmbH and 50Hertz Transmission GmbH and their subsidiaries, and (ii) financing the participation in energyRe Giga for a maximum amount of EUR 200 million (issue premium included), with the balance being financed by debt.

### 3 Authorised capital parameters

The Board of Directors proposes that the Meeting authorises it (i) to increase the capital, on one or more occurrences, by cash contributions and, subject to legal restrictions, by contributions in kind, as well as by incorporation of available or unavailable reserves or issue premiums, with or without the creation of new securities, and (ii) to determine all the terms and conditions of the capital increase, the issue of securities and their placement. In connection with these capital increases, the Board of Directors seeks the authorisation to create shares, convertible bonds and/or subscription rights, as well as other securities, whether or not attached to other securities of the Company.

The Board of Directors proposes that the maximum cumulative amounts of authorised capital increases over the authorisation period covered by the authorised capital clause be as follows:

- (a) if the capital increases take place with statutory preference right, or with the cancellation of the statutory preference right but the granting of an extra-statutory preference right, a maximum amount equivalent to 50% of the existing capital of the Company on the date on which the general meeting approved the authorisation; and
- (b) in all other cases, a maximum amount equivalent to 20% of the existing capital of the Company on the date on which the general meeting approved the authorisation.

In any event, the total amount up to which the Board of Directors may increase the capital by combining the authorisations referred to in points (a) and (b) above would be limited to an amount equivalent to 70% of the existing capital of the Company on the date on which the general meeting approved the authorisation (such existing capital amounting to EUR 1,833,762,393.56, excluding issue premium).

The Board of Directors proposes that this authorisation be granted to it for a period of five years from the date of publication in the Annexes to the Belgian State Gazette of an extract from the decision of the Meeting granting the authorised capital and deciding on the resulting amendment to the articles of association. This authorisation will not, however, be used to carry out capital increases in 2024. It will expire even if it has not been used by the end of the aforementioned five-year period.

The actual decision to increase (or not) the capital, including the terms and amount of the capital increase, the issue price and the number of new shares to be issued, will be taken by the Board of Directors. In addition, the decision to proceed with the capital increase within the framework recommended by the Board of Directors in accordance with paragraph 4 a) below must be approved by the shareholder holding at least the majority of class C shares.

When shares are issued, the total amount of contributions in connection with the capital increase (i) will be allocated to the capital account in an amount equal to the number of new shares multiplied by the accounting par value of the existing shares and (ii) the balance will be allocated to the "issue premium" account.

Any capital increase in cash decided by the Board of Directors pursuant to this authorisation will take place either within the framework of the statutory preference right provided for by Article 7:191 of the Code, or with the cancellation of this statutory preference right. If the statutory preference right is cancelled, the Board of Directors may decide whether or not to grant an extra-statutory preference right enabling shareholders to retain their percentage of share ownership.

If a statutory or non-statutory preference right is granted in connection with a rights issue, this right may be exercised by all shareholders (or by the transferees of the preference rights) during a subscription period with preference right (statutory or non-statutory), subject to the application of restrictions in certain countries other than Belgium relating to the offer of securities or preference

rights. The start and end dates of this subscription period will be set by the Board of Directors or by an *ad hoc* committee appointed by the Board of Directors.

The Board of Directors may also decide not to grant any preference rights. This will allow, in particular, to place securities with qualified investors following an accelerated bookbuilding process (also known as "**ABB**") or to issue convertible bonds. In this case, the statutory preference right may be cancelled in favour of specific persons, whether existing shareholders or not, and therefore taking into account a guaranteed allocation granted to specific persons who are not members of personnel.

The Board of Directors' annual report will contain a statement on any capital increase carried out within the framework of the authorised capital. In addition, at the time of any capital increase decided within the framework of the authorised capital, the Board of Directors will draw up the special report(s) required by the Code.

For the avoidance of doubt, the Board of Directors does not request the special authorisation referred to in Article 7:202 of the Code to use the authorised capital in the event of a takeover bid for the Company's shares.

#### **4 Use of authorised capital by the Board of Directors**

Without prejudice to the provisions of section 3 above, any capital increase pursuant to the authorisation may only be decided by the Board of Directors if it is approved (i) by a majority of the members of the Board of Directors and (ii) by a 3/4<sup>th</sup> majority (rounded down to the nearest whole number) of the non-independent directors. The 3/4<sup>th</sup> majority of the votes of the non-independent directors will not apply to the decision referred to in paragraph d) below if all the non-independent directors are prevented from participating in the deliberation and voting on the decision in accordance with Articles 7:96, 7:97 and/or 7:200, 2° of the Code. If one (or more) directors are unable to participate, they will not be taken into account for the calculation of the quorum.

Without prejudice to the provisions of the Code in this respect, any capital increase in cash decided by the Board of Directors by virtue of this authorisation must be carried out in compliance with at least the following stages:

- (a) Preliminary meeting of the Board of Directors to (i) review the possible structures for the capital increase, (ii) determine the objectives of the proposed capital increase and, in a restrictive manner, the investment projects to which the funds raised under the capital increase may be allocated, (iii) determine the proposed broad outlines of the subscription and payment timetable, (iv) determine the broad outlines of the financial parameters of the capital increase (notably the proposed price range for the new shares to be issued as part of the proposed capital increase), (v) determine the broad outlines of the allocation criteria and the type of qualified investors likely to be taken into account in the framework of the allocation, and (vi) ask the shareholder holding at least the majority of class C shares whether it agrees with the capital increase mechanism(s) recommended by the Board of Directors, whether it wishes to benefit from a guaranteed allocation in the event of an ABB taking place, and, if so, for what amount and to what extent and under which conditions it would be prepared to commit to subscribing to a capital increase; decision taken in the manner described in the first paragraph above (non-independent directors will be able to take part in the deliberations and vote at this preliminary meeting and a 3/4<sup>th</sup> majority of the votes of the non-independent directors will apply);
- (b) Answer of the shareholder holding at least the majority of class C shares to the questions referred to in paragraph a) (vi) above. If the shareholder holding at least the majority of Class

C shares does not agree to the capital increase mechanism(s) recommended by the Board of Directors, the preparatory procedure for the proposed capital increase will be repeated as from step a) above.

- (c) If the structure of the capital increase involves both the cancellation of the statutory preference right and a guaranteed allocation in favour of the shareholder holding at least the majority of the class C shares, meeting of the Board of Directors to launch the wall crossing (if applicable) and, if necessary, to implement the procedure provided for in Article 7:97 of the Code (including the setting up of a committee of independent directors); then a meeting of the committee of independent directors to deliver the opinion required by Article 7:97 of the Code;
- (d) Meeting of the Board of Directors before a notary in order to (i) decide on the capital increase and its terms and conditions within the framework previously proposed by the Board in accordance with paragraph a) above (ii) approve the actual implementation thereof, with application of Articles 7:96, 7:97 and/or 7:200, 2° of the Code, if applicable (depending on the structure of the capital increase). In the event of a capital increase carried out both with cancellation of the preference right and with a guaranteed allocation in favour of the shareholder holding at least the majority of Class C shares, if market conditions and/or the results of wall crossing do not allow a capital increase to be carried out in accordance with the framework previously proposed by the Board in accordance with paragraph a) above, no capital increase may be decided upon and the procedure will, if necessary, be repeated as from step a) above.
- (e) Delegation by the Board of Directors of powers to an *ad hoc* committee to decide on the launch of the operation, the final price range and/or the final price (depending on the structure of the capital increase) and the allocation.

If Publi-T benefits from the guaranteed allocation referred to above, the *ad hoc* committee that will decide on the final price range and/or the final price will not include any Publi-T representative. On the other hand, even if Publi-T benefits from a guaranteed allocation, one or more representatives of Publi-T will participate in the *ad hoc* committee which will decide on the allocation to the other investors.

## **5 Justification for the proposed changes and consequences for the rights of each class**

If the authorisation described above is granted to the Board of Directors, it could possibly issue new shares not in proportion to the number of shares issued within each class, which would constitute a change in the rights attached to each class within the meaning of Article 7:155 of the Code.

The justification for allowing the Board of Directors to modify the rights attached to each class in this manner lies in the advantages and objectives of the authorised capital described in paragraph 2 above.

The consequences of the proposed changes on the rights attached to existing classes will depend on the specific parameters of any capital increase decided by the Board of Directors within the framework of the authorised capital.

If, for example, the Board of Directors were to issue new shares that were not in proportion to the number of shares issued in each class, this issue could lead to dilution of the shareholders of certain classes of shares. If the shareholders of certain classes of shares do not subscribe to the new shares or do not subscribe in the same proportion as the number of shares of each class already issued,

the shareholding of these shareholders in the Company's capital would decrease following the capital increase.

On the other hand, if the shareholders of certain classes of shares make full use of the preference rights granted to them or, in the event of a limitation or cancellation of the preference right, if their guaranteed allocations are granted in proportion to the number of shares already issued of the class of shares concerned and they subscribe in full, there will be no dilution of the shareholding in the Company's capital.

Where applicable, the consequences for the rights attached to existing classes will be described in detail in the special reports of the Board of Directors and the auditor referred to in Articles 7:179 and 7:197 of the Code.

This report is not based on any financial or accounting data, so that no auditor's assessment is required under Article 7:155 of the Code.

## **6 Corresponding amendment to the Company's articles of association**

If the Meeting grants the Board of Directors the authorisation described above, Article 7 of the Company's articles of association will be amended to read as follows:

"7.1 The board of directors is authorised (i) to increase the capital, in one or more occurrences, both by cash contributions and, subject to legal restrictions, by contributions in kind, as well as by incorporation of available or unavailable reserves or issue premiums, with or without issuance of new securities, and (ii) to determine all terms and conditions of the capital increase, the issue of securities and their placement.

These increases may result in the issuance of shares, convertible bonds and/or subscription rights, as well as other securities, whether or not attached to other securities of the company.

The maximum amounts of the capital increases authorised by this article 7 are specified in article 7.3.

This authorisation is granted to the board of directors for a period of five years from the date of publication in the Annexes of the Belgian State Gazette of an extract from the decision of the general meeting approving the authorised capital and the resulting amendment to the articles of association.

7.2 The board of directors may, within the framework of the authorisation provided for in this article 7, limit or cancel the preference rights of shareholders, in the interests of the company and subject to compliance with the legal terms.

The board of directors may also limit or cancel shareholders' preference rights in favour of one or more specific persons who, where applicable, are not employees of the company or its subsidiaries. Such specific persons may or may not already be shareholders.

7.3 The maximum cumulative amounts over the authorisation period covered by the authorised capital clause, of the capital increases authorised by this article 7 are the following:

- (i) if the capital increases take place with the statutory preference right, or with the cancellation of the statutory preference right but combined with the granting of an extra-statutory preference right, the maximum amount equivalent to 50% of the existing capital of the company on the date on which the general meeting approved the authorisation, rounded down to the nearest whole number; and
- (ii) in all other cases, the maximum amount equivalent to 20% of the existing capital of the company on the date on which the general meeting approved the authorisation, rounded down to the nearest whole number.

In any event, the total amount by which the board of directors may increase the capital by combining the authorisations set forth under items (i) and (ii) above, is limited to an amount equivalent to 70% of the existing capital of the company on the date on which the general meeting approved the authorisation, rounded down to the nearest whole number.

7.4 Any capital increase pursuant to this authorisation shall be decided in accordance with the terms of, and be consistent with, the special report submitted by the board of directors to the general meeting dated 21 May 2024.

7.5 Any decision to implement the authorisation granted to the board of directors to increase the capital in accordance with this article 7 shall require, in addition to a simple majority of the votes of the members of the board of directors present or represented, a majority of 3/4<sup>th</sup> (rounded down to the nearest whole number) of the votes of the non-independent directors present or represented. The 3/4<sup>th</sup> majority of the votes of the non-independent directors does not apply if all the non-independent directors are prevented from taking part in the deliberation and voting on the decision in accordance with articles 7:96, 7:97 and/or 7:200, 2° of the Code of companies and associations. If one (or more) directors are unable to participate, they will not be taken into account for the calculation of the quorum."

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The Board of Directors therefore proposes that the Meeting authorises the Board to increase the capital under the conditions set out above.

Brussels, 29 March 2024

For the Board of Directors,

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Geert Versnick  
Vice-Chairman  
Director

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Bernard Gustin  
Chairman  
Director