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## **Elia Group**

Public limited liability company (“société anonyme”/“naamloze vennootschap”)

Boulevard de l'Empereur 20

B-1000 Brussels

Enterprise number 0476.388.378 (RPM/RPR Brussels)

(the “**Company**”)

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# **SPECIAL REPORT OF THE BOARD OF DIRECTORS ON THE USE AND PURPOSES OF THE AUTHORISED CAPITAL DRAWN UP IN ACCORDANCE WITH ARTICLE 7:199 OF THE CODE OF COMPANIES AND ASSOCIATIONS**

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## **1 Object of this report**

In accordance with Article 7:199 of the 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 shareholders of 17 May 2022 (or to the second meeting of the general meeting of shareholders in case the required attendance quorum is not reached at the first meeting) (the “**Meeting**”) on the proposal to grant the Board of Directors the authorisation to increase the capital according to the parameters and in pursuit of the objectives described below.

The Board of Directors proposes that this authorisation be granted until 31 July 2023 inclusive.

Any capital increase decided upon under this authorisation shall take place with statutory or non-statutory preferential subscription rights, as detailed below.

## **2 Objective of the authorised capital**

The authorised capital allows the Board of Directors to safeguard the interests of the Company and to react adequately in particular in circumstances that require flexibility and/or speed of execution.

The Board of Directors proposes to the Meeting to grant it the authorisation to increase the capital for the purpose of strengthening the Company's equity in order to increase the growth of its German subsidiaries Eurogrid GmbH and 50Hertz GmbH, to maintain a balanced debt ratio of Elia Transmission Belgium in view of the regulatory framework and/or to implement the Company's development plan.

### 3 Authorised capital parameters

The Board of Directors proposes that the Meeting authorises it to (i) increase the capital in one or more instalments by contributions in cash in a maximum of EUR 600,000,000, including issuance premium, and (ii) determine the terms of the capital increase, the issuance of the shares and their placement.

The actual decision to increase (or not) the capital, the terms and amount of the capital increase, the issuance price and the number of new shares (all classes) to be issued will be decided by the Board of Directors. In addition, the decision to proceed with the capital increase (but not the terms and conditions) will require the approval of the shareholder holding at least a majority of the Class C shares.

The total amount of the contributions in the framework of the capital increase (i) shall 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 shall be allocated to the available account "share premium".

This authorisation will take effect from the date of publication in the Annexes to the Belgian State Gazette of an extract of the decision of the Meeting deciding on the authorised capital and the resulting amendment to the Articles of Association. The authorisation will be granted to the Board of Directors until 31 July 2023 inclusive. It will expire even if it has not been used by that date.

Any capital increase decided by the Board of Directors pursuant to this authorisation shall take place either within the framework of the statutory preferential subscription right provided for in Article 7:191 of the Code, or with the cancellation of such statutory preferential subscription right but then with the granting of a non-statutory preferential subscription right.

In any case, such statutory or non-statutory preferential subscription right may be exercised by all shareholders (or by the transferees of the preferential subscription rights), during a subscription period with preferential subscription right (statutory or non-statutory), subject to the application of restrictions in certain countries other than Belgium on the offer of securities or preferential subscription rights. The start and end dates of this subscription period will be determined by the Board of Directors or by an *ad hoc* committee appointed by the Board of Directors.

The main specificities of the non-statutory preferential subscription right compared with the statutory preferential subscription right are the following. In the context of a non-statutory preferential subscription right (i) the subscription period with non-statutory preferential subscription right may be shorter than the statutory minimum period of 15 calendar days and (ii) there is no need to apply Article 7:189, which requires the opening of the subscription period to be announced in the Belgian State Gazette and in the press at least eight days before the opening of the subscription period. These elements allow for greater flexibility in a transaction whose execution on the financial markets presents complex organisational constraints. The interests of existing shareholders are preserved by the granting of the non-statutory preferential subscription right, giving them the possibility to maintain their shareholding percentage.

In accordance with Article 7:203 of the Code, the annual report of the Board of Directors shall contain a statement on any capital increase carried out within the framework of the authorised capital. In addition, if the preferential subscription right is of a non-statutory

nature, the Board of Directors shall draw up the report provided for in this case by Article 7:191 of the Code.

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

Without prejudice to the provisions of the previous section, 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 majority of 3/4 (rounded down) of the non-independent directors.

#### **5 Corresponding amendments to the Articles of Association**

If the Meeting grants the Board of Directors the authorisation described above, the Articles of Association shall be amended by inserting the following text in Article 7 :

7.1 The board of directors is authorised to (i) increase the capital in one or more instalments by contributions in cash in a maximum of EUR 600,000,000, including issuance premium, and (ii) determine all the terms of the capital increase, the issuance of the shares and their placement. This authorisation is granted to the board of directors until 31 July 2023 inclusive. Any capital increase pursuant to this authorisation (i) must be decided in accordance with the terms set out in, and must be in conformity with, the special report submitted by the board of directors to the Extraordinary General Meeting of Shareholders of 17 May 2022 and (ii) must take place either with statutory preferential subscription right or with cancellation of such statutory preferential subscription right but then with the granting of a non-statutory preferential subscription right.

7.2 Any decision to make use of the authorisation granted to the board of directors to increase the capital in accordance with Article 7.1 must obtain, 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 (rounded down) of the votes of the non-independent directors present or represented.

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The Board of Directors therefore proposes to the Meeting to grant it the authorisation to increase the capital under the conditions set out above.

Brussels, 31 March 2022