

**PRESS RELEASE** | Brussels, 15 June 2022 – 08h00 a.m.

REGULATED INFORMATION – INSIDE INFORMATION



## **Elia Group SA launches a rights offering (with extra-legal preferential rights for existing shareholders) of a maximum of 4,739,865 new shares, amounting to a maximum €590,113,192.50**

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**Warning: Investing in shares and trading in preferential subscription rights involves economic and financial risks, as it is the case for every investment in shares. Before investing in the offered shares or trading in preferential subscription rights, investors are invited to read all the information provided in the prospectus approved by the FSMA and available on the website of Elia Group (<https://investor.eliagroup.eu/offering>), and in particular the risk factors described therein. Specifically, potential investors should be aware that the Group is subject to an extensive set of regulations and its income is in large part dependent on the applicable tariff methodology in its core markets, which is subject to potential changes and periodic revisions. In addition, failure by the Group to maintain a balance between energy demand and supply on the grid may lead to load shedding and have significant adverse consequences. Moreover, a downgrade in Elia Group's, Elia Transmission Belgium's and/or Eurogrid's credit rating could affect their ability to access capital markets and impact their financial position. Investors must be able to bear the economic risk of such an investment or trade and to suffer a total or partial loss of their investment.**

Any decision to invest in securities in the framework of the offering must be based on all information provided in the prospectus, and any supplements thereto, as the case may be. The approval of the prospectus by the FSMA should not be understood as an endorsement of the new shares offered. Information on costs and taxation in relation to the offering can be found in this press release. Subject to exemptions and/or reduced rates, a Belgian withholding tax of 30 percent is in principle levied on dividends paid on the shares.



**BRUSSELS - Elia Group SA (the “Company” or “Elia Group”) has announced today the launch of a public offering to existing shareholders and any holders of an extra-legal preferential right (the “Preferential Right”) (the “Rights Offering”) of €590,113,192.50 maximum, through the issuance of up to 4,739,865 new ordinary shares at an issue price of €124.50 per share (the “New Shares”), on the basis of 2 New Shares per 29 existing shares. Preferential Rights that are not exercised during the rights subscription period (the “Rights Subscription Period”) will be converted into an equal number of scrips (the “Scrips”) and will be offered up for sale through a private placement to institutional investors (the “Scrips Private Placement” and together with the Rights Offering, the “Offering”).**



*We are at a turning point in terms of reaching climate neutrality. Elia Group is at the centre of these changes. Over the next decade, we will need to massively expand our infrastructure to integrate large amounts of renewable energy into the system. Moreover, the electrification of mobility and heating is underway, and industry is decarbonising on a much wider scale, which is also calling for substantial additional electrification to occur. Our growth strategy has been successful in the past and it has become even more relevant in the current context. This is what has provided us with the confidence to enter the financial markets. – **Chris Peeters, CEO Elia Group***



The principal purpose of the Offering is to finance Elia Group’s organic growth and to support the Company’s societal mission to accelerate the energy transition. The Offering will strengthen Elia Group’s balance sheet and support the financing of the CAPEX programmes of Elia Transmission Belgium and 50Hertz (which amount to €4.0 billion and €5.6 billion respectively).

If the Offering is fully subscribed, the proceeds of the Offering amounting to €590,113,192.50 maximum are to be used primarily as follows: €300 million will be used to finance (via an increase in the equity portion in Elia Transmission Belgium) the regulated activities and CAPEX programme in Belgium, in accordance with the gearing ratio defined in the regulatory framework applicable in Belgium; and €200 million will be used to finance (via an increase in the equity portion in Eurogrid GmbH) the regulated activities and CAPEX programme in Germany. The remaining portion of the proceeds from the offering will be used for Elia Group’s general corporate purposes. No minimum amount has been set for the offering.

At the closing of Euronext Brussels on 15 June 2022, the existing shareholders will be granted one Preferential Right per share. Preferential Rights, provided they are in dematerialised form, will be negotiable during the entire Rights Subscription Period on Euronext Brussels. Holders of Preferential Rights can subscribe for the New Shares up to and including 23 June 2022 (4:00 p.m. CET), in line with the conditions described in the prospectus, at a subscription price of €124.50 per New Share and at a subscription ratio of 2 New Shares for 29 Preferential Rights.



Any Preferential Rights that are unexercised at the end of the Rights Subscription Period will be automatically converted into an equal number of Scrips and these Scrips will be sold to institutional investors via a private placement. The private placement is expected to start on or about 24 June 2022 and to end on the same date.

The Company reserves the right to revoke or suspend the Offering, following consultation with the Underwriters (as defined below) if (i) it determines that market conditions would make the Offering more difficult in a material way; or (ii) the underwriting agreement has not been signed or has been terminated in accordance with its terms and conditions.

Elia Group's reference shareholders Publi-T and Publipart have already irrevocably and unconditionally committed to the Company to exercise all of the Preferential Rights to which they are entitled in the context of the Rights Offering and to subscribe for the resulting number of New Shares, so maintaining their current stakes in the share capital of Elia Group (44.82% and 3.32% respectively).



## Key terms of the Rights Offering

**Preferential Rights:** Each existing share will entitle its holder to receive one Preferential Right. The Preferential Right is represented by coupon nr. 20. The Preferential Rights will be detached from the existing shares on 15 June 2022, after the closing of Euronext Brussels and, provided they are in dematerialised form, will be negotiable during the entire Rights Subscription Period on Euronext Brussels under the ISIN code BE0970178811.

**Ratio:** 2 New Shares for 29 Preferential rights (the “Ratio”).

**Issue price:** €124.50 per New Share. The Issue Price represents a discount to the closing price of 14 June 2022, (which amounted to €143.00), of 12.94 percent. Based on the closing price, the theoretical ex-right price (“TERP”) is €141.81; the theoretical value of a Preferential Right is €1.19; and the discount of the Issue Price compared to TERP is 12.20 percent.

**Rights Subscription Period:** The Rights Subscription Period shall run from 16 June 2022 to 4 p.m. CET on 23 June 2022. After the end of the Rights Subscription Period, the Preferential Rights can no longer be exercised or traded and as a result, subscription requests received after the end of the period will be void.

**Subscription procedure and costs:** Subject to selling and transfer restrictions, investors holding Preferential Rights in dematerialised form (including existing shareholders) can, during the Rights Subscription Period, irreducibly subscribe to the New Shares directly at the counters of KBC Bank, CBC Banque, KBC Securities, BNP Paribas Fortis and Belfius Bank if they have a client account there, or indirectly through any other financial intermediary. Subscribers should inform themselves about any costs that these financial intermediaries might charge and which they will need to pay themselves. Shareholders holding Preferential Rights in registered form shall follow the instructions they will receive from the Company. Subject to selling and transfer restrictions, they can, during the Rights Subscription Period, subscribe to the New Shares free of charge.

**Scripts Private Placement:** Preferential Rights that are not exercised during the Rights Subscription Period will be converted into an equal number of Scripts. The Scripts will be offered for sale through a private placement to institutional investors that is expected to last for one day and is expected to take place on 24 June 2022. The net proceeds of the sale of the Scripts (the “Net Scripts Proceeds”) (if any) will be divided proportionally between all holders of Preferential Rights who have not exercised them. If the Net Scripts Proceeds are less than €0.01 per unexercised Preferential Right, the holders of Preferential Rights who have not exercised them are not entitled to receive any payment and, instead, the Net Scripts Proceeds will be transferred to the Company. If the Company announces that Net Scripts Proceeds are available for distribution to holders of unexercised Preferential Rights and such holders have not received payment thereof by 28 June 2022, such holders should contact their financial intermediaries (note: registered shareholders should contact the Company).

**Admission to trading and place of listing of the New Shares:** expected on 28 June 2022 on Euronext Brussels.



**Announcement of the results:** The result of the subscription with Preferential Rights will be announced through a press release on or about 24 June 2022. The results of the Rights Offering (which detail the subscription with Preferential Rights and with Scrips), the results of the sale of the Scrips, and the amount due to holders of unexercised Preferential Rights (if any) will be published on or about 24 June 2022.

**Payment and delivery of the New Shares:** The payment of the subscriptions with dematerialised Preferential Rights is expected to take place on or around 28 June 2022 and will be carried out by debiting the subscriber's account on the same value date (subject to the relevant financial intermediary procedures). Payment of subscriptions with registered Preferential Rights will be carried out via payments into a blocked account of the Company. Payments must have reached this account by 23 June 2022 (4 p.m. CET), as indicated in the instruction letter from the Company. The payment of the subscriptions in the Scrips Private Placement is expected to take place on or around 28 June 2022. The payment of the subscriptions in the Scrips Private Placement will be made by delivery against payment. The New Shares will be delivered on or around 28 June 2022 in the form of dematerialised Shares (booked into the securities account of the subscriber) or as registered Shares recorded in the Company's Share register.

**Lock-up and standstill arrangements:** The Company has agreed to a standstill commitment for a period of 180 calendar days after the first listing date of the New Shares (except in case of prior consent of the Underwriters). Publi-T has agreed to a lock-up undertaking for a period of 90 days after the closing of the Offering (except in case of prior consent of the Underwriters).

**Taxation:** The tax treatment depends on the individual circumstances of each investor and may change in the future. The general provisions are included in the prospectus. The purchase and sale in the secondary market of both the Shares as well as the Preferential Rights prior to the end of the Rights Subscription Period is subject to the tax on stock exchange transactions. In Belgium, the applicable rate is 0.35% and the total amount is capped at € 1,600 per transaction and per party.

**Rights to dividends:** The New Shares will be entitled to a share in the results of the financial year that started on 1 January 2022 and of the following years.

**Syndicate:** BNP Paribas Fortis SA/NV and KBC Securities NV are acting as Joint Global Coordinators and Joint Bookrunners of the Rights Offering, and Belfius Bank NV and Goldman Sachs International are acting as Joint Bookrunners (together, the "Underwriters").



## Financial outlook for 2022

As a result of the Offering and subject to the Offering being fully subscribed, Elia Group expects to deliver an Adjusted Return on Equity (ROE adj.<sup>1</sup>) for 2022 towards the lower end of the 6.25 percent and 7.25 percent.

This guidance does not take into account any potential M&A transactions.

Further detail on the financial outlook for 2022 can be found in the prospectus.

## Key Risk Factors

The following is a selection of key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In general, the Company is subject to three categories of risks:

*(i) Risks related to the regulatory environment in which the Group operates:*

- The Group is subject to an extensive set of regulations and its income is in large part dependent on the applicable tariff methodology in its core markets, which is subject to potential changes and periodic revisions;
- The TSO permits and certifications which are necessary for the Group's operations may be revoked or modified; and
- Through its two TSOs, the Group is subject to certain trustee obligations which may negatively impact its working capital.

*(ii) Risks related to the activities of the Group and the continuity of supply:*

- Failure by the Group to maintain a balance between energy demand and supply on the grid may lead to load shedding and have significant adverse consequences;
- The Group's reputation may be damaged in various circumstances, including in case of a shortage of energy supply or as a result of a slower than expected energy transition;
- The Group's future profit will in part depend on its ability to realize its contemplated projects and organic growth (capex contributing to the RAB) which, in turn, depends on its ability to obtain the necessary permits without incurring significant costs and/or delays;
- The Group depends on a limited number of suppliers and their ability to deliver good quality infrastructure works in a timely manner;
- Contingency events and business continuity disruptions, including as a result of acts of terrorism or sabotage, may adversely affect the Group's results of operation;
- Failure of information and communication technology (ICT), cyber-attacks, data security and protection issues may adversely affect the Group's results of operation; and

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<sup>1</sup> Determined as the result attributable to ordinary shareholder divided by the equity attributable to owners of ordinary shares adjusted for the value of the future contracts (hedging reserves).



- The Group is subject to environmental and zoning laws, as well as increased public expectations and concerns, which may impair its ability to obtain relevant permits and realize its anticipated investment program or result in additional costs.

*(iii) Financial and other risks:*

- A downgrade in the Company's, ETB's and/or Eurogrid's credit rating could affect their ability to access capital markets and impact their financial position; and
- Various circumstances could affect the ability of the Company to pay out dividends or meet the objectives of its dividend policy.

*(iv) Risks related to the New Shares, Preferential Rights and Scrips:*

- The market price of the Company's shares may be volatile and may decline below the Issue Price;
- The capital increase may be lower than the contemplated Issue Amount if the Offering is not fully subscribed and no minimum amount has been set for the Offering; and
- Certain significant shareholders of the Company after the Offering may have interests that differ from those of the Company and may be able to control the Company, including the outcome of shareholder votes.

## Prospectus

Full details of the Rights Offering will be included in the prospectus. Subject to selling restrictions, the prospectus will be made available in three languages (Dutch, French and English) to investors from 15 June 2022 onwards at no cost at the registered office of Elia Group (Boulevard de l'Empereur 20, B-1000 Brussels, Belgium). The prospectus will also be made available to investors at no cost:

- from BNP Paribas Fortis (BNP Paribas Fortis NV/SA, upon request by phone +32 2 433 41 13 (NL, FR and ENG) and on its websites [www.bnpparibasfortis.be/sparenenbeleggen](http://www.bnpparibasfortis.be/sparenenbeleggen) (NL) and [www.bnpparibasfortis.be/epargneretplacer](http://www.bnpparibasfortis.be/epargneretplacer) (FR));
- from KBC Securities (KBC Securities NV/SA, upon request by phone +32 78 152 153 (NL), +32 78 152 154 (FR), or +32 78 353 137 (ENG) and on its website [www.kbc.be/elia2022](http://www.kbc.be/elia2022) (NL, FR and ENG));
- from Belfius (on its website [www.belfius.be/elia2022](http://www.belfius.be/elia2022) (NL and FR)).

Subject to certain conditions, the prospectus will also be published here: <https://investor.eliagroup.eu/offering>



## Expected timetable of the Rights Offering

Approval of the prospectus by the FSMA	T-1	14 June 2022
Detachment of coupon nr. 20 (representing the Preferential Right) after closing of the markets	T	15 June 2022
Publication of the launch press release and availability to the public of the prospectus	T	15 June 2022
Trading of Shares ex-Right	T+1	16 June 2022
Opening of Rights Subscription Period	T+1	16 June 2022
Listing of the Preferential Rights on Euronext Brussels	T+1	16 June 2022
Payment Date Registered Preferential Rights exercised by subscribers	T+8	23 June 2022
Closing Date of the Rights Subscription Period	T+8	23 June 2022
End of listing of the Preferential Rights on Euronext Brussels	T+8	23 June 2022
Announcement via press release of the result of the subscription with Preferential Rights	T+9	24 June 2022
Accelerated private placement of the Scrips	T+9	24 June 2022
Allocation of the Scrips and the subscription with Scrips	T+9	24 June 2022
Announcement via press release of the results of the subscription with Preferential Rights and with Scrips and the Net Scrip Proceed (if any) due to holders of coupons nr. 20 and end of suspension of trading of shares	T+9	24 June 2022
Payment Date for the Dematerialised Preferential Rights exercised subscribers	T+13	28 June 2022
Realisation of the capital increase	T+13	28 June 2022
Delivery of the New Shares to the subscribers	T+13	28 June 2022
Listing of the New Shares on Euronext Brussels	T+13	28 June 2022
Payment to holders of non-exercised Preferential Rights	T+14	29 June 2022





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## About Elia Group

### One of Europe's top five TSOs

Elia Group is a key player in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. Through our subsidiaries in Belgium (Elia) and the north and east of Germany (50Hertz), we operate 19,192 km of high-voltage connections, meaning that we are one of Europe's top 5 transmission system operators. With a reliability level of 99.99%, we provide society with a robust power grid, which is important for socioeconomic prosperity. We also aspire to be a catalyst for a successful energy transition, helping to establish a reliable, sustainable and affordable energy system.

### We are making the energy transition happen

By expanding international high-voltage connections and incorporating ever-increasing amounts of renewable energy into our grid, we are promoting both the integration of the European energy market and the decarbonisation of society. We also continuously optimise our operational systems and develop new market products so that new technologies and market parties can access our grid, thus further facilitating the energy transition.

### In the interest of society

As a key player in the energy system, Elia Group is committed to working in the interest of society. We are responding to the rapid increase in renewable energy by constantly adapting our transmission grid. We also ensure that investments are made on time and within budget, with a maximum focus on safety. In carrying out our projects, we manage stakeholders proactively by establishing two-way communication channels between all relevant parties very early on in the development process. We also offer our expertise to different players across the sector in order to build the energy system of the future.

### International focus

In addition to our activities as a transmission system operator, we provide various consulting services to international customers through our third subsidiary, Elia Grid International (EGI). Elia (in Belgium) is also part of the Nemo Link consortium, which operates the first subsea electrical interconnector between Belgium and the UK.

The legal entity Elia Group is a listed company whose core shareholder is the municipal holding company Publi-T.

More information: [eliagroup.eu](https://www.eliagroup.eu)

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