



Xior Student Housing SA/NV

Public Limited Company

Public regulated real estate company under Belgian law
with its registered office at Mechelsesteenweg 34 Box 108, 2018 Antwerp, Belgium, and with
company number 0547.972.794 (Antwerp Register of Legal Entities, Antwerp section)
(**'Xior Student Housing'** or **'Xior'** or the **'Company'**)

**SECURITIES NOTE FOR THE PUBLIC OFFERING FOR SUBSCRIPTION TO NEW SHARES
IN THE CONTEXT OF A CAPITAL INCREASE IN CASH WITHIN THE ISSUED CAPITAL
WITH IRREDUCIBLE ALLOCATION RIGHT FOR UP TO EUR 134,011,078.00**

**THE OFFER CONSISTS OF A PUBLIC OFFERING FOR SUBSCRIPTION TO NEW SHARES
IN BELGIUM AND IS FOLLOWED BY THE PRIVATE PLACEMENT OF THE SCRIPS IN AN
ACCELERATED BOOKBUILD (ACCELERATED PRIVATE PLACEMENT WITH THE
COMPOSITION OF AN ORDER BOOK)**

**REQUEST FOR ADMISSION TO TRADE THE NEW SHARES ON THE EURONEXT
BRUSSELS REGULATED MARKET**

The Existing Shareholders that have Irreducible Allocation Rights and the other holders of Irreducible Allocation Rights may subscribe to the New Shares from 31 May 2018 to 7 June 2018 inclusive under the conditions provided by the Prospectus at an Issue Price of EUR 31.00 and at a ratio of 1 New Shares for 2 Irreducible Allocation Rights represented by coupon no. 6. The Irreducible Allocation Rights can be traded on the Euronext Brussels regulated market during the entire Subscription Period.

WARNING: Investing in shares involves considerable risks. Investors are requested to read the Prospectus, particularly the risk factors described in Chapter 1 'Risk factors' of this Securities Note, Chapter 1 'Risk factors' of this Registration Document (p. 13-28) and in section D 'Risks' of the Summary (p. 11-16), before investing in the New Shares, Irreducible Allocation Rights or Scrips. Any decision to invest in the New Shares, the Irreducible Allocation Rights or the Scrips in the context of the Offer must be based on all the information provided in the Prospectus. Potential investors must be capable of carrying the economic risk of investment in shares and of taking a full or partial loss on their investment.

SOLE GLOBAL COORDINATOR



JOINT BOOKRUNNERS



Securities note of 29 May 2018

This Securities Note (including all information incorporated by reference) the Registration Document (including all information incorporated by reference) and the Summary make up the Prospectus for the public offering for subscription to New Shares.

The Securities Note and the Summary were prepared in accordance with the Law of 16 June 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market and in accordance with Regulation (EC) No. 809/2004 of the European Commission of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council with regard to the information to be provided in the prospectus, the prospectus' format, the information incorporated by reference, the prospectus' publication and the release of advertising and the enclosed Annexes III and XXII. The Belgian Financial Services and Markets Authority (FSMA) approved the Dutch versions of this Securities Note and the Summary on 29 May 2018 in accordance with Article 23 of the Law of 16 June 2006. The FSMA's approval does not include an evaluation of the appropriateness and quality of the Offer or the Company's situation.

The Securities Note, Registration Document and Summary may be distributed separately. The Securities Note, Registration Document and Summary are available in Dutch and English. The Summary is also available in French. The English version of the Securities Note is a translation of the Dutch version of the Securities Note and is the Company's responsibility. The Company is responsible for the consistency of the English translations of the Securities Note and Registration Document with the approved Dutch versions of the Securities Note and Registration Document and for the consistency of the English and French versions of the Summary with the approved Dutch version of the Summary and shall ensure that the translated versions are accurate translations of the language versions approved by the FSMA. If there is any discrepancy between (i) the Dutch version of the Summary and the French or English version of the Summary, (ii) the Dutch version of the Securities Note and the English version of the Securities Note, or (iii) the Dutch version of the Registration Document and the English version of the Registration document, the FSMA-approved Dutch version will take precedence over the other language versions. If there are any inconsistencies between the Securities Note, Registration Document and Summary, the Securities Note and Registration Document take precedence over the Summary and the Securities Note takes precedence over the Registration Document.

The Prospectus will be made available to investors free of charge from 31 May 2018 (before stock market opening) at the Company's registered office at Mechelsesteenweg 34, box 108, 2018 Antwerp, Belgium. The Prospectus will also be made available to investors free of charge at ING Belgium upon request by phone on +32 (0)2 464 60 01 (NL), +32 (0)2 464 60 02 (FR) or +32 (0)2 464 60 04 (EN) and on its websites www.ing.be/aandelentransacties (NL), www.ing.be/transactionsdactions (FR) and www.ing.be/equitytransactions (EN), at Kempen & Co upon request by email to equitycapitalmarkets@kempen.com, at Bank Degroof Petercam upon request by phone on +32 (0)2 287 97 11 (NL, FR and EN) and on its website www.degroofpetercam.be/nl/nieuws/xior_2018 (NL), www.degroofpetercam.be/fr/actualite/xior_2018 (FR) en www.degroofpetercam.be/en/news/xior_2018 (ENG) and at Belfius Bank upon request by phone on +32 (0)2 222 12 02 (NL), +32 (0)2 222 12 01 (FR) and on its website www.belfius.com/xior2018 (NL, FR and EN). The Prospectus will also be available on the Company website (www.xior.be/kapitaalverhoging) from 31 May 2018 (before stock marketing opening).

TABLE OF CONTENTS

1. RISK FACTORS	7
1.1. MARKET RISKS	7
1.1.1 Risks associated with the economic situation and political climate	7
1.1.2 Risks associated with the property market as a whole	7
1.1.3 Risks related to student populations, available study programmes and support measures ..	7
1.2. PROPERTY-RELATED RISKS	8
1.2.1 Risks associated with the execution of works, maintenance and repairs	8
1.2.2 Construction, development and reconversion risks	8
1.2.3 Risks related to permits and other authorisations and the requirements the property needs to meet	8
1.2.4 Risks associated with environmental regulations	8
1.2.5 Risks associated with the evolution of the property portfolio's Fair Value	9
1.2.6 Risks associated with property appraisal	9
1.2.7 Risks associated with retail property, hostel activities and office real estate	9
1.2.8 Risks associated with expropriation	9
1.2.9 Risks associated with co-ownership	10
1.3. OPERATIONAL RISKS	10
1.3.1 Risks associated with rental agreements, rental voids and loss of rent	10
1.3.2 Risks associated with rental income	10
1.3.3 Risk of defaulting tenants	10
1.3.4 Risks associated with damage claims and insurance cover	11
1.3.5 Risks associated with nuisance caused by tenants	11
1.3.6 Risks associated with historical sales	11
1.3.7 Risks associated with mergers, de-mergers or takeovers	11
1.3.8 Risks associated with diversification and the concentration of property	11
1.3.9 Risks associated with executive management, staff and external service providers	11
1.3.10 Risks associated with major shareholders	12
1.3.11 Risks associated with legal proceedings	12
1.3.12 Risks associated with being unable to pay dividends	12
1.4. FINANCIAL RISKS	13
1.4.1 Risks associated with rising interest rates and fluctuating fair values of hedging instruments	13
1.4.2 Counterparty risk	13
1.4.3 Risks associated with financing – exceeding the debt ratio	13
1.4.4 Risks associated with financing – liquidity	14
1.4.5 Risks associated with budgeting and financial planning	14
1.4.6 Risks associated with inflation and the disconnection of the indexed rents and market rents	14
1.5. REGULATORY AND OTHER RISKS	14
1.5.1 Risks associated with the status of a public RREC	14
1.5.2 Risks associated with regulations and taxation	15
1.6. RISKS ASSOCIATED WITH THE OFFER OF THE NEW SHARES	15
1.6.1 Risks associated with the investment in the New Shares	15
1.6.2 Liquidity of the Share	15
1.6.3 Low liquidity of the market of Irreducible Allocation Rights	16
1.6.4 Risks associated with the Share stock market price fluctuating considerably due to a variety of factors	16
1.6.5 Dilution with regard to Existing Shareholders not exercising (all) their Irreducible Allocation Rights	17
1.6.6 If Irreducible Allocation Rights are not exercised during the Subscription Period, they become invalid	17
1.6.7 Possible future dilution for Shareholders	17
1.6.8 Falling stock market prices for the Shares – Withdrawal of the Offer – No minimum amount for the Offer	17
1.6.9 Withdrawal of the subscription	18
1.6.10 Risks associated with securities and industry analysts	18

1.6.11	<i>Risks associated with the Promoter's solvency and liquidity</i>	18
1.6.12	<i>Sale of the Shares by the Shareholders and fluctuations of the stock market price of the Shares and the Irreducible Allocation Rights</i>	19
1.6.13	<i>Risks associated with clearing and settlement</i>	19
1.6.14	<i>Investors who are residents of countries other than Belgium</i>	19
1.6.15	<i>Risks associated with exchange rates</i>	20
1.6.16	<i>Risks associated with the Financial Transaction Tax</i>	20
1.6.17	<i>Risks associated with the fact that shareholders' rights under Belgian legislation may be different from rights under other jurisdictions</i>	20
1.6.18	<i>Risks associated with takeover provisions in Belgian legislation</i>	20
1.6.19	<i>Risks associated with certain transfer and sale restrictions</i>	21
2.	GENERAL INFORMATION	21
2.1.	FSMA APPROVAL	21
2.2.	ADVANCE WARNING	21
2.3.	INFORMATION ON A CONSOLIDATED BASIS	22
2.4.	RESTRICTIONS REGARDING THE OFFER AND THE DISTRIBUTION OF THE PROSPECTUS	22
2.4.1	<i>Potential investors</i>	22
2.4.2	<i>Countries where the Offer is available</i>	22
2.4.3	<i>Restrictions applicable to the Offer</i>	22
2.4.4	<i>Member States of the European Economic Area (except Belgium)</i>	23
2.4.5	<i>United States</i>	23
2.4.6	<i>United Kingdom</i>	24
2.4.7	<i>Switzerland</i>	24
2.4.8	<i>Japan</i>	25
2.4.9	<i>Canada, Australia and South Africa</i>	25
3.	INFORMATION ON RESPONSIBILITY FOR THE PROSPECTUS, THE RESTRICTION OF THIS RESPONSIBILITY AND GENERAL REMARKS	25
3.1.	PARTY RESPONSIBLE FOR THE PROSPECTUS	25
3.2.	STATEMENT BY THE PARTY RESPONSIBLE FOR THE PROSPECTUS	25
3.3.	NO STATEMENTS.....	25
3.4.	OTHER STATEMENTS.....	26
3.5.	FORWARD-LOOKING STATEMENTS	26
3.6.	INFORMATION	27
3.7.	ROUNDING OF FINANCIAL AND STATISTICAL INFORMATION	27
3.8.	AVAILABILITY OF THE PROSPECTUS AND COMPANY DOCUMENTS	27
3.8.1	<i>Availability of the Prospectus</i>	27
3.8.2	<i>Availability of the Company documents</i>	28
3.9.	ACCOUNTABILITY FOR INSPECTION OF THE ACCOUNTS.....	28
3.10.	DOCUMENTS INCORPORATED BY REFERENCE:	29
3.11.	MIFIDII PRODUCT GOVERNANCE OBLIGATIONS FOR DISTRIBUTORS ERROR! BOOKMARK NOT DEFINED.	
4.	KEY DATA	30
4.1.	WORKING CAPITAL	30
4.2.	CAPITALISATION AND DEBT	30
4.2.1	<i>Capitalisation</i>	31
4.2.2	<i>Debt</i>	31
4.3.	INTERESTS OF NATURAL PERSONS AND LEGAL ENTITIES INVOLVED IN THE OFFER	33
4.4.	REASONS FOR THE OFFER AND USE OF PROCEEDS.....	33
5.	INFORMATION ON THE SECURITIES THAT WILL BE OFFERED AND ADMITTED TO TRADING ON THE REGULATED MARKET OF EURONEXT BRUSSELS REGULATED MARKET	35
5.1.	NEW SHARES TYPE AND FORM	35
5.1.1	<i>Type, category and date when the offered securities will qualify for dividends and be admitted to trading</i>	35
5.1.2	<i>Form</i>	35
5.1.3	<i>Issue currency</i>	35

5.2.	COMPETENT COURTS AND LEGISLATION TO BE OBSERVED BY THE CREATED SHARES.....	35
5.3.	RIGHTS ASSOCIATED WITH THE SHARES	36
5.3.1	<i>Voting rights</i>	36
5.3.2	<i>Dividends</i>	36
5.3.3	<i>Rights in case of liquidation</i>	37
5.3.4	<i>Preferential and irreducible allocation right</i>	37
5.3.5	<i>Acquisition and disposal of own Shares</i>	37
5.3.6	<i>Conversion conditions</i>	38
5.3.7	<i>Issued capital</i>	38
5.4.	RESTRICTIONS ON THE FREE TRANSFERABILITY OF THE SHARES	39
5.5.	ISSUE OF THE NEW SHARES	39
5.6.	APPLICABLE REGULATIONS REGARDING MANDATORY PUBLIC TAKEOVER BIDS AND PUBLIC BUYOUT OFFERINGS.....	39
5.6.1	<i>General provisions</i>	39
5.6.2	<i>Mandatory public takeover bid</i>	39
5.6.3	<i>Public squeeze-out</i>	40
5.6.4	<i>Sell-out</i>	41
5.6.5	<i>Implementation of the Law on Regulated Real Estate Companies</i>	41
5.7.	PUBLICATION OF SIGNIFICANT STAKES	41
5.8.	TAX SYSTEM.....	42
5.8.1	<i>Prior warning</i>	42
5.8.2	<i>Dividends</i>	42
5.8.2.1	<i>Withholding tax</i>	42
5.8.2.2	<i>Natural persons based in Belgium</i>	43
5.8.2.3	<i>Belgian companies</i>	43
5.8.2.4	<i>Belgian legal entities</i>	44
5.8.2.5	<i>Non-residents</i>	44
5.8.3	<i>Capital gains and losses</i>	44
5.8.3.1	<i>Belgian natural persons</i>	44
5.8.3.2	<i>Belgian companies</i>	44
5.8.3.3	<i>Belgian legal entities</i>	45
5.8.3.4	<i>Non-residents</i>	45
5.8.4	<i>Tax on stock exchange transactions</i>	45
5.8.4.1	<i>Subscription</i>	45
5.8.4.2	<i>Acquisition</i>	45
5.8.5	<i>Payment of non-exercised Irreducible Allocation Rights and the sale of Irreducible Allocation Rights before the end of the Subscription Period</i>	45
5.8.6	<i>Tax on the securities account</i>	46
6.	TERMS AND CONDITIONS OF THE OFFER	47
6.1.	TERMS AND CONDITIONS, INFORMATION ON THE OFFER, EXPECTED TIMETABLE AND ACTION TO BE TAKEN TO RESPOND TO THE OFFER	47
6.1.1	<i>Terms and conditions of the Offer</i>	47
6.1.2	<i>Maximum amount for the Offer</i>	48
6.1.3	<i>Action to be taken to respond to the Offer</i>	48
6.1.4	<i>Withdrawal and suspension of the Offer</i>	49
6.1.5	<i>Maximum amount for the subscription</i>	50
6.1.6	<i>Subscription reduction</i>	50
6.1.7	<i>Revocation of the subscription orders</i>	50
6.1.8	<i>Payment and delivery of the New Shares</i>	50
6.1.9	<i>Disclosure of the results</i>	50
6.1.10	<i>Expected Offer Timetable</i>	51
6.2.	PLAN FOR THE MARKETING AND ALLOCATION OF NEW SHARES	51
6.2.1	<i>Categories of potential investors – Countries open to the Offer – Valid Offer restrictions</i> 51	
6.2.1.1	<i>Potential investors category</i>	52
6.2.1.2	<i>Countries the Offer will be open to</i>	52
6.2.2	<i>Intention of the Company's Shareholders</i>	52
6.2.3	<i>Intentions of the members of the Board of Directors and the management team</i>	52
6.2.4	<i>Notification to the subscribers</i>	52
6.3.	ISSUE PRICE.....	52
6.4.	PLACEMENT AND SOFT UNDERWRITING	53

6.4.1	<i>Local offices</i>	53
6.4.2	<i>Financial service</i>	53
6.4.3	<i>Underwriting Agreement</i>	53
6.5.	STANDSTILL ARRANGEMENTS	55
6.6.	TRADING PERMISSION AND TRADING CONDITIONS	55
6.6.1	<i>Trading permission</i>	55
6.6.2	<i>Place of listing</i>	56
6.6.3	<i>Liquidity contract</i>	56
6.6.4	<i>Stabilisation – Interventions on the market</i>	56
6.7.	HOLDERS OF SHARES LOOKING TO SELL THEIR SHARES	56
6.8.	OFFER COSTS	56
6.9.	DILUTION	56
6.9.1	<i>The Offer's impact on the net asset value</i>	56
6.9.2	<i>The Offer's impact on the situation of the Existing Shareholder who subscribes to the Offer by exercising all his Irreducible Allocation Rights</i>	56
6.9.3	<i>The Offer's impact on the situation of the Existing Shareholder who does not subscribe to the Offer by exercising all his Irreducible Allocation Rights</i>	57
6.9.4	<i>Shareholding after the Offer</i>	57
7.	RECENT COMPANY DEVELOPMENTS AND TRENDS	57
7.1.	RECENT DEVELOPMENTS AFTER THE CLOSE OF THE FINANCIAL YEAR 2017	57
7.1.1	<i>Key events in the first quarter of 2018 (until 31 March 2018)</i>	58
7.1.2	<i>After the closing of the first quarter of 2018 (after 31 March 2018)</i>	58
7.1.3	<i>Planned additional investments</i>	58
7.2.	TRENDS AND FORECAST	59
7.2.1	<i>Trends</i>	59
7.2.2	<i>Company forecast for the financial year 2018</i>	59
7.2.2.1	<i>Hypotheses</i>	60
7.2.2.2	<i>Remarks on the forecast</i>	61
7.2.2.3	<i>Statutory Auditor's report on the consolidated financial forecast</i>	62
8.	DEFINITION OF KEY TERMS	63

1. **RISK FACTORS**

Each investment in shares by definition involves considerable risks. This chapter complements and references Chapter 1 of the Registration Document and describes certain risks related to the economic situation, the Company, the regulations, the Shares, the Irreducible Allocation Rights, the Scrips and the Offer.

Investors are requested to consider the described risks, uncertainties and other relevant information provided in the Prospectus before making an investment decision. If these risks were to materialise, they could have a negative impact on the Company's activities, business results, financial situation and outlook, and consequently the value of the Shares, the Irreducible Allocation Rights, the Scrips and the dividend. They could therefore lead investors to lose all or some of their investment. An investment in the New Shares, Irreducible Allocation Rights and Scrips is only suitable for investors who are able to assess the risks of such an investment and who have sufficient resources to absorb any losses that may result from such an investment result.

Future investors should carefully read the entire Prospectus, shape their own views and make decisions about the merits and risks of investing in the New Shares, the Irreducible Allocation Rights or the Scrips in the light of their personal circumstances. Investors should also consult their financial, legal and tax advisers to carefully assess the risks associated with investment in the New Shares, Irreducible Allocation Rights or Scrips.

Investors are advised that the list of risks described below is not exhaustive and is based on the information known on the date of this Securities Note. There may be other risks that are currently unknown, improbable or not expected to have a negative impact on the Company, its operations or its financial situation in the future.

The order in which the risk factors are presented below is not related to the extent of their probability or their potential financial impact.

1.1. **Market risks**

1.1.1 Risks associated with the economic situation and political climate

The value of property and the amount of rental income are generally influenced by the economic situation. An economic downturn gives rise to lower economic activity. Although it may be assumed that young people will study longer in case of an economic downturn, firstly to bridge the economic crisis and secondly to boost their chances in the job market, a general deterioration in the economy may lead to decreased demand for the type of properties that the Company has in its portfolio (for example, because of the tenant's poorer financial situation) and/or lead to one or more tenants being in default with rent payments. This may in turn result in higher rental voids and lower rents when tenancies are renewed and new rental agreements are concluded. National or international political instability, the break-up of or exit of countries from the European Union and the threat of terrorism can also have a negative effect on this climate.

1.1.2 Risks associated with the property market as a whole

The level of rents and valuation of property are strongly influenced by supply and demand within the purchase and rental markets in the property sector. Any oversupply in the type of properties that the Company holds in its portfolio could thus have a significantly unfavourable impact on the Company's activities, operating result, financial position and/or prospects.

1.1.3 Risks related to student populations, available study programmes and support measures

The Company's results can be affected by a decline in student populations, which could be due to the study programmes on offer and/or the (continued) presence and quality of educational institutions, or by the increase in online courses, such as Massive Open Online Courses (MOOCs), for which study materials are distributed via the Internet, so participants do not need to relocate and are not bound by any particular location. The demand for student rooms can also

be adversely affected by the reduction of any government financial aid to students (such as loans, subsidies, (housing) allowances or student grants) or by higher registration fees at educational institutions. A drop in the international rankings of educational institutions can also adversely affect demand for student rooms. A negative evolution in this regard can therefore have a significant negative impact on the Company's activities, operating result, financial position and/or prospects.

1.2. Property-related risks

1.2.1 Risks associated with the execution of works, maintenance and repairs

The Company may be obliged to carry out major renovation and investment programmes to bring the property up to the desired level of maintenance and keep it in a proper qualitative condition, or because of government requirements regarding the technical condition of the property (with regard to living comfort or fire safety, for example). Besides major maintenance works, smaller works may be needed because of the age or wear and tear on the buildings and their contents (since rooms are normally always rented furnished) or because of damage to the buildings or contents. These works can lead to substantial costs and may temporarily prevent the rental of (part of) the property in question.

1.2.2 Construction, development and reconversion risks

In addition to acquiring existing properties, the Company may invest in development and reconversion projects in order to expand its property portfolio. Development and reconversion projects involve various risks, including the risk that the necessary permits to erect or convert a building are not granted or are contested, the project is delayed or cannot be implemented (resulting in reduced, delayed or lost rental income), or the budget is exceeded due to unforeseen costs. A building reconversion takes about two years on average (including planning permission period).

1.2.3 Risks related to permits and other authorisations and the requirements the property needs to meet

The value of property is partly determined by whether all legally required urban planning and other permits and authorisations have been issued. Obtaining permits is often time-consuming and lacks transparency, which may impact on rental income, the value of the properties concerned, and the opportunities for the Company to perform its operational activities in such buildings. The regulatory requirements for the property (in terms of living comfort or (fire) safety, for example) may be different depending on the location and their interpretation and/or application may also depend on the authorities involved, which may cause an element of uncertainty with regard to the compliance with such regulatory requirements. The absence of the required permits or the failure to comply with permits or other regulatory conditions could result in the Company being temporarily or permanently unable to let the property concerned for the purpose of performing certain activities, as a result of which the property cannot be let or can only be let at lower rents. In this case, the Company's property may be the subject of regularisation procedures, which may be accompanied by adjustment works, may involve additional conversion costs and may also restrict a building's letting potential (and the resulting revenues). An urban construction offence may also result in penalties for as long as the offence is not barred by limitation, even if a regularisation permit has been obtained and after the rules have been fulfilled by demolishing the unlawful structures.

1.2.4 Risks associated with environmental regulations

The environmental risks to which the Company, as property owner, is exposed relate mainly to risks of historical soil contamination, the (previous) presence of high-risk facilities and/or activities, risks related to the possible presence of any materials containing asbestos, the presence of products prohibited by law, such as transformers that contain PCBs or refrigeration units that contain CFCs, the presence of fuel oil tanks and so on. Depending on the presence of such environmental risks, this may have major financial consequences for the Company (additional research duties, such as a pilot study, descriptive soil analyses, soil clean-ups, asbestos removal, installation works and replacements) and may also affect or compromise a property's letting potential. Such consequences may also arise in the future due to changes of a purely formal nature for certain sites, with regard to land registry plots for example.

Complex procedures during a property transfer can be time-consuming and give rise to survey and/or other costs. Despite the completed studies, the Company is exposed to environmental risks as a property owner and landlord and therefore cannot fully rule out any liability risks in terms of existing properties or properties still to be acquired.

In the Netherlands, the 'polluter pays principle' states that the party that contaminated the soil is responsible for removing the pollution. If the polluter can no longer be identified, the land's owner is responsible for the remediation. Historical pollution remediation (caused before 1 January 1987) is required only if certain thresholds of danger, size or scope are exceeded. In other cases, remediation can wait until the land's purpose changes and/or a construction plan has been prepared. The land must then be rendered functionally suitable for its intended use. The Dutch government assumes that parties buying a plot of land investigate any soil contamination. The purchase of a plot is therefore generally accompanied by the necessary (time-consuming and costly) investigation and/or other costs.

1.2.5 Risks associated with the evolution of the property portfolio's Fair Value

The Company is exposed to fluctuations in the Fair Value of its property portfolio. A decline in the Fair Value will lead to a decline in the Company's equity, which will have a negative impact on the debt ratio. The Company is also exposed to the risk of depreciation of the property in its portfolio due to wear and tear arising from normal, structural and technical ageing and/or damage caused by tenants, increasing rental voids, unpaid rent, falling rents when entering into new rental agreements or extending existing rental agreements and following incorrect plans and/or measurements on which the property value was based for acquisition. There is also the risk that the buildings will not, or will no longer, comply with increasing statutory or commercial requirements, including in the area of sustainable development (energy performance and so on). If the Company proceeds with a transaction and therefore invests in or disposes of property, it also runs the risk of not identifying certain risks based on its due diligence or, even with advance due diligence and an independent property appraisal, it may purchase property at too high a price in relation to the underlying value or sell property at too low a price in relation to the underlying value, for example through an investment or divestment at an unfavourable time in the economic cycle.

1.2.6 Risks associated with property appraisal

The valuation expert values property on the basis of standard criteria. Even so, there is a certain degree of subjectivity involved in valuation experts' appraisals of properties. Each valuation therefore involves some uncertainty. Property appraisal reports may be based on hypotheses that subsequently prove to be incorrect, unadjusted or outdated. In such a case and when a new valuation expert is appointed, there is a risk that the Company's property portfolio will be valued on a different basis, which may result in significant deviations from the property portfolio's appraisal by the current valuation experts. When a new valuation expert is appointed, there is also a risk that the Company's property portfolio will be valued on a different basis, which may result in significant deviations from the property portfolio's appraisal by the current valuation experts.

1.2.7 Risks associated with retail property, hostel activities and office real estate

The Company owns a limited number of retail properties (or commercial premises within the buildings designated for student housing), which are not intended for student housing. The Company also owns one property designated for hostel activities. Part of the Company's rental income comes from the rental of office space (mostly) awaiting a planned reconversion into student housing. This type of property may be exposed to other risk factors, including specific risks inherent to this type of retail property (such as the erratic evolution of consumer confidence and/or unemployment per region or town, a fall in consumer spending, tenants leaving on interim due dates, the reconstruction of roads, competition from e-commerce), these hostel activities (including a higher risk of rental voids for short-term stays inherent to this type of activity, competition from other industries, such as the hotel business, enhanced operational follow-up, specific regulations) or office property.

1.2.8 Risks associated with expropriation

In accordance with the applicable Belgian legislation, real estate may be expropriated in the public interest by the competent authority at a value that does not necessarily cover the property's Fair Value. Expropriation is also possible in the Netherlands, in order to achieve a land use plan,

for example. The principle of expropriation is to fully indemnify the owner to ensure the owner's position after expropriation is not less favourable than if he still owned the property. Xior is not aware of any planned expropriation procedure.

1.2.9 Risks associated with co-ownership

Buildings co-owned by the Company may involve specific risks with regard to the rules applicable to the co-ownership in question. The Company has about fifteen co-owned properties as of 31 March 2018, which represent a total of approximately 18.9% of the fair value. The risks of unwillingness on the part of one or more co-owners may have an unfavourable impact on the Company's activities, operating results, financial situation and/or outlook.

1.3. Operational risks

1.3.1 Risks associated with rental agreements, rental voids and loss of rent

Due to its activities, the Company is exposed to the risk of loss of rent associated with the departure of tenants before or on the expiry of current rental agreements, including the additional risk of non-rental or re-rental. The short-term nature of the rental agreements that are concluded with students is generally inherent to the student housing sector. When tenants leave, new rental agreements may result in a lower rental income than the current rental income and it may not be possible to reduce the rental related expenses in proportion to the lower rental income. Under Belgian law, the municipalities involved may charge rental void levies for buildings that have been vacant for a long time. According to Dutch law, campus contracts (contracts related to the student qualification) must be terminated when the studies are terminated (whereby the student has to leave the room within a six-month period). Contracts may also be terminated with a one-month notice period for the tenant. In the Netherlands, the government also applies the Housing Assessment System ('woningwaarderingstelsel' or WWS) to regulate the 'social' rental market (in contrast to the deregulated rental market, where no restrictions apply on rent levels). This results in the so-called 'points system'. A property is valued based on a series of characteristics valued with points. The total number of points ultimately determines the rental value, which is the maximum rent for the residence. If the landlord does not observe the points system (with rent exceeding the rental amount resulting from the points calculation or because of a mistake in the points calculation), there is a risk that tenants seek redress from the tenancy commission for a price reduction and the retroactive recovery of any overpaid amounts.

1.3.2 Risks associated with rental income

The risk that the level of rental income cannot be maintained is mainly influenced by rental void rates. Maintaining the level of rental income is also influenced by the nature and location of the property, the extent to which it must compete with nearby buildings, the intended target group and users of the property, the quality of the property, the quality of tenants, and the rental-friendly nature, term and whether the rental agreement is in line with the market. There is a particular risk of the Company being faced with an oversupply in the student housing market in which it operates. Educational institutions also try to influence the supply of and rent charged for student rooms.

The Netherlands has imposed a national points system for property valuation ('woningwaarderingstelsel' or 'WWS') based on a number of factors, such as surface area, quality, location, energy performance, etc. A change in this points system or the inaccurate implementation of the underlying components may have a negative impact on the rental income (to be) collected by the Company.

1.3.3 Risk of defaulting tenants

The Company cannot rule out the possibility that its tenants may fail to fulfil their financial obligations towards the Company. In the student housing segment in which the Company operates, this risk is higher in case of direct rental to students and lower in case of indirect rental to students through a housing association connected with a university or college. If tenants remain in default of their obligations towards the Company, there is a risk that the guarantee will not suffice, that the Company will be unable to have recourse against the tenant and consequently be unable to recover anything or only a small amount from the defaulting tenant.

1.3.4 Risks associated with damage claims and insurance cover

The Company is exposed to the risk of serious damage occurring in the buildings of its property portfolio. Although the Company's property portfolio is covered by various forms of insurance, the possibility remains that conditions for activating the insurance cover may not be fulfilled or that uninsured losses or losses exceeding the insurance policy ceiling will result in costs. If a large number of damage claims occur in the Company's buildings, this would moreover have significant financial consequences for the Company because of a rise in insurance premiums. This could also lead to the Company being unable or no longer able to insure certain risks because the insurer would be unwilling to cover them, or because the premiums would be unreasonably high.

1.3.5 Risks associated with nuisance caused by tenants

Because the Company's activity is letting property directly or indirectly to mostly students, there is an increased risk that it may be faced with complaints due to nuisance or disturbance of neighbours, or that administrative or other measures may be imposed in relation to the buildings in its property portfolio. Tenants might also use the residence to engage in certain activities not permitted by the applicable legislation and/or rental contract without informing Xior. Such activities could result in government enforcement and even the (temporary) closure of the building in extreme circumstances.

1.3.6 Risks associated with historical sales

The Company or the entities it has acquired have previously sold property on various occasions in the past. As the seller, the Company or these entities are bound by the seller's common obligations to indemnify. There is a risk that the Company (in this case as the legal successor) could be held to account for the obligations to indemnify under such historical sales. For example, certain companies acquired by the Company have in the past acted as professional vendors as referred to in the Breyne Law. As this law considers professional vendors within the scope of ten-year liability for significant visible and hidden defects that compromise the building's stability (at least as far as the sale of unfinished real estate is concerned), there is a risk that the Company (as successor) could be held liable for such defects, insofar as the Breyne Law applies to the relevant sales.

1.3.7 Risks associated with mergers, de-mergers or takeovers

The Company is – and may in the future become – a party to mergers, de-mergers or other takeovers. Although the Company takes precautions with these types of transactions, including conducting due diligence investigations in respect of the contributed assets and by stipulating warranties in the takeover agreements, the possibility that these transactions could transfer latent liabilities to the Company cannot be ruled out. This may be partly due to the transferors' non-compliance with certain obligations or their inability to present certain documents (such as provisional or final acceptance documents, insurance documents, electricity records, post-intervention files and fire safety inspection reports). The stipulated warranties are moreover limited in time and sellers normally place a cap on their liability under them. Lastly, the Company continues to be faced with the risk of insolvency of its counterparty.

1.3.8 Risks associated with diversification and the concentration of property

In order to limit and spread certain risks, the Company must diversify its assets in terms of investment property, geographical region and category of user or tenant, in accordance with the Legislation on Regulated Real Estate Companies. Article 30 of the Law on Regulated Real Estate Companies stipulates that no transaction performed by the public RREC shall result in (1) more than 20% of its consolidated assets being invested in property or assets held as part of the operations referred to in Article 4 that constitute a single entity of assets; or (2) increase this percentage further if it already exceeds 20%, regardless of what caused the original percentage to be exceeded in this latter case. This restriction applies at the time of the transaction concerned. If the Company exceeds the 20% diversification rule, it may not perform any investment, disinvestment or other acts that would cause this percentage to increase further. In other words, it limits the Company's options with regard to additional investments or disinvestments.

1.3.9 Risks associated with executive management, staff and external service providers

The departure of one or several members of the executive management from the Company or the termination of their mandate may expose the organisation to the risk of disruption. The

Company's relatively small team of employees means that it could be exposed to a risk of disorganisation if certain key employees were to leave. The Company also works with external service providers. Where this applies, it is also logical that the Company relies on the services concerned being performed well.

1.3.10 Risks associated with major shareholders

Aloxe NV will remain a major shareholder in the Company after the Offer is completed. The Promoter (Aloxe NV together with Mr Christian Teunissen) or persons who take over the role of promoter from Aloxe NV with the prior written permission of Aloxe NV as stipulated in Section 22 and following of the Law on Regulated Real Estate Companies (the '**Successors**') shall have the (joint) right to propose candidates for three directorships, until the final of the following events occurs: (i) Aloxe NV (or its Successors) owns (or jointly own) less than 25% of the Company's capital, and (ii) Aloxe NV (or its Successors) is (or are) no longer the Company's promoter in the sense of the Legislation on Regulated Real Estate Companies (whereby the right of nomination is therefore not necessarily associated with permanent shareholding). The Company can also not exclude that one or more investors, either acting separately or in concert, acquire New Shares representing a substantial stake in the Company in the context of the Offer. Other major shareholders may follow once the Offer is completed. Such shareholders may have a significant influence on the Company's management and policy without any resulting obligation to launch a takeover bid for the Company's Shares.

The Company is currently not aware of the existence of any shareholders' agreement between the Existing Shareholders in relation to the Shares. However, it cannot be ruled out that Shareholders agree to appoint and dismiss directors or issue a majority vote on other decisions at the Company's General Shareholders' Meeting. Such a majority position may vary according to the number of votes present or represented at the General Shareholders' Meeting. Conversely, one or more Shareholders may have sufficient votes to stop certain shareholders' decisions that require special majorities. The votes cast by the Shareholders may not be in accordance with the interests of the Company or the Company's other Shareholders.

The fact that one or more Shareholders have significant participation in the Company's capital may also discourage a third-party takeover bid for the Shares.

1.3.11 Risks associated with legal proceedings

The Company may be involved in future legal proceedings as a claimant or defendant. A legal ruling against the Company may have a significant impact on its activities, operating result, financial position and/or prospects. The Company runs the further risk that certain tenants will claim the termination of their rental agreement, demand a rent reduction, or institute another claim against the Company. Such proceedings may be lengthy and expensive.

In addition to the legal proceedings explained in chapter 10.9.35 of the Registration Document, the Company is involved in one other legal procedure as the plaintiff. Although no counterclaim of any significance has been submitted as yet, the Company cannot exclude that this may happen as proceedings continue. Without prejudice to the court's decision, the Company thinks that it has good arguments to refute any counterclaim, which the Company does not expect to be of a material nature. In that case, the Company will also vigorously defend itself against this claim and exhaust all available remedies if necessary.

1.3.12 Risks associated with being unable to pay dividends

In its capacity as a public RREC, the Company must pay out a minimum amount in remuneration of capital each year under the Legislation on Regulated Real Estate Companies and Article 34 of the Company's Articles of Association. At least 80% of the corrected net result (pursuant to Article 13 of the Royal Decree on Regulated Real Estate Companies) minus the net reduction in the Company's debt in the course of the financial year must be paid as remuneration of capital. This payment obligation is subject to two restrictions. Firstly, it must not lead to the payment of an amount that may not be distributed in accordance pursuant to Article 617 of the Belgian Companies Code and, secondly, such payment is not possible if, following the payment, the debt ratio (separate and consolidated) would exceed the limit of 65% of the separate or consolidated assets.

No guarantee can be given that the Company will be able to make dividend payments in future. Even if the Company's properties are yielding the expected rental income and operational profit, it may become technically impossible for the Company to pay a dividend to its shareholders in accordance with Article 617 of the Belgian Companies Code and Legislation on Regulated Real Estate Companies. Given that the Company had limited or no reserves on start-up, a decrease in the fair value of the real estate property or a decrease in the fair value of hedging instruments may result in the Company being unable to pay a dividend despite posting a positive operating result.

1.4. Financial risks

1.4.1 Risks associated with rising interest rates and fluctuating fair values of hedging instruments

Because the Company is financed with loan capital, its performance depends on interest rate developments. An increase in the interest rate makes loan capital financing more expensive for the Company.

In order to hedge the long-term interest rate risk, the Company may use interest rate swaps for variable-rate loans (see item 4.3 and item 7.2.2.2). For example, if the Euribor rate falls, there will be a negative adjustment of the market value of these instruments. It is moreover not certain that the Company will find hedging instruments that it wishes to take out in future, or that the conditions associated with these hedging instruments will be acceptable.

1.4.2 Counterparty risk

The Company may be faced with the insolvency of a financial counterparty. This could result in the termination of existing lines of credit, both for loans and hedging, and thus to a reduction in the Company's financial resources. In accordance with market practices, credit agreements usually include market disturbance clauses and clauses relating to a significant change of circumstances. In some circumstances, such material adverse change clauses or MAC clauses may generate additional Company costs and in more extreme cases, they may lead to the termination of the credit agreements and/or the entire or partial early repayment of the lines of credit.

1.4.3 Risks associated with financing – exceeding the debt ratio

The Company's borrowing capacity is restricted by the statutory maximum debt ratio of 65% that is permitted under the Legislation on Regulated Real Estate Companies. The financing contracts with financial institutions also include certain thresholds. The maximum debt ratio enforced by the financial institutions is 60%. Generally speaking, it is possible that the Company would no longer be able to obtain the external financing that is necessary for its growth strategy under favourable conditions, or that market conditions would be of such a nature that external financing that is necessary for the Company's activities could no longer be found. The Company runs the risk that financial agreements are terminated, renegotiated, cancelled or given an early repayment obligation if certain obligations such as compliance with financial ratios are not met.

On 31 December 2017, the consolidated debt ratio was 53.62%. On 31 March 2018, the consolidated debt ratio was 51.69%. If the consolidated debt ratio is more than 50%, the Company must prepare a financial plan describing the measures to be taken to prevent the consolidated debt ratio from exceeding 65% in accordance with Article 24 of the Royal Decree on Regulated Real Estate Companies. The Company must include the general guidelines of this financial plan in its annual and half-yearly financial reports. Reference is also made to Chapter 10.9.33 of the Registration Document, of which the principles still apply.

On 31 March 2018, the Company had a debt capacity of EUR 200 million before reaching a debt ratio of 65% and of EUR 109 million before reaching a debt ratio of 60%. The value of the property portfolio also has an impact on the debt ratio. Taking into account the capital base on 31 March 2018, the maximum debt ratio of 65% would only be exceeded if the value of the property portfolio were to fall by approximately EUR 108 million, which is about 21% of the property portfolio of EUR 512 million on 31 March 2018. In the event of a depreciation of approximately EUR 73 million or 14% of the property portfolio, the 60% debt ratio would be exceeded.

Taking into account the acquisitions after 31 March 2018, the pro-forma¹ debt ratio is 57.50% on the date of this Securities Note. On this pro-forma basis, it can be concluded that the debt ratio would reach 65% if the Company took out an additional credit of EUR 124 million and would reach 60% if the Company took out an additional credit of EUR 36 million. The value of the property portfolio also has an impact on the debt ratio. Taking into account the value of the property portfolio on 31 March 2018 and the investments until the date of this Securities Note, the maximum debt ratio of 65% would be exceeded only if the value of the property portfolio² were to fall by approximately EUR 66 million, which is 12% of the property portfolio's pro-forma value of EUR 565 million on the date of this Securities Note. If the value were to decrease by approximately EUR 23 million or 4% of the property portfolio's pro-forma value on the date of this Securities Note, the 60% debt ratio would be exceeded.

1.4.4 Risks associated with financing – liquidity

The Company is moreover exposed to a liquidity risk if its financing agreements, including existing lines of credit, are not renewed, not renewed on time or terminated.

On 31 March 2018, the Company has confirmed credit lines for EUR 268 million, of which EUR 1 million has not yet been drawn down. On the date of this Securities Note, the Company has confirmed credit lines for EUR 395 million, of which EUR 66 million has not yet been drawn down.

On the date of this Securities Note, the Company has investment commitments for EUR 82.95 million, excluding commitments that can be met with contributions in kind.

1.4.5 Risks associated with budgeting and financial planning

The annual budgets and financial forecasts may be exposed to estimate, calculation, programming and/or handling errors. Earlier financial forecasts may no longer be relevant and/or be based on assumptions that could be beyond the Company's control.

1.4.6 Risks associated with inflation and the disconnection of the indexed rents and market rents

Inflation may result in an increase in financing costs (following an increase in interest rates) and/or a rise in capitalisation rates and may lead to a fall in the Fair Value of the property portfolio and a reduction in Company equity. The indexation of the rent does not necessarily prevent the rent paid under the rental agreement from rising less quickly than the rent that could be achieved on the market with new tenants.

1.5. Regulatory and other risks

1.5.1 Risks associated with the status of a public RREC

In its capacity as a Public RREC, the Company is subject to Legislation on Regulated Real Estate Companies imposing restrictions in areas such as operations, debt ratio, appropriation of income, conflicts of interest and corporate governance. Continued compliance with these specific requirements depends, inter alia, on the Company's ability to successfully manage its assets and debt positions, and to observe strict, internal audit procedures. The Company might find itself incapable of complying with these requirements if there were to be a significant change in its

¹This pro-forma calculation based on the debt ratio of 31 March 2018 only takes into account the acquisitions completed after 31 March 2018 (Amsterdam Naritaweg, Leuven Tiensestraat 274 / Windmolenveldstraat 2-4 and Brussels Woodskot) (see Chapter 7.1.2 of this Securities Note), and the dividend payment of 22 May 2018. It does not take into account any evolutions in working capital requirements, planned other (dis)investment, operating results and property portfolio valuations that may affect the Company's total assets and debt position and therefore also its debt ratio.

²The pro-forma property portfolio takes into account the acquisitions that were completed after 31 March 2018 (Amsterdam Naritaweg, Leuven Tiensestraat 274 / Windmolenveldstraat 2-4 and Brussels Woodskot) (see Chapter 7.1.2 of this Securities Note).

financial situation or for other reasons. If the Company were to lose its licence as a RREC, it would no longer benefit from the different tax system for RRECs. The loss of the RREC licence is moreover regarded in the Company's credit agreements as an event that could lead to its loans being called up early.

1.5.2 Risks associated with regulations and taxation

The Company is subject to the regulations that apply to a public regulated real estate company under Belgian law, including the provisions of the Law on Regulated Real Estate Companies, the Royal Decree on Regulated Real Estate Companies and the Belgian Companies Code. The student housing sector is also characterised by a fragmented regulatory framework, with national (for example Belgium as compared to the Netherlands), regional (varying from region to region) and local (varying from municipality to municipality) differences. Moreover, this legislation is not always locally available in a coherent and structured manner, which complicates the analysis of the applicable provisions.

Amendments to other (European, federal, regional or local) regulations may be implemented or new obligations may arise with respect to tax, accounting (IFRS), the environment, urban planning, tenancy law and new provisions on letting property and extending the permits with which the Company or users of the Company's property must comply. The regionalisation of lease legislation in Belgium as part of the sixth State reform also means that rent legislation for (student) accommodation is different in each of the three regions, in addition to the local regulations at municipal level, instead of a single comprehensive legislative system at federal level. This has already resulted in initiatives pending or adopted in the three regions on matters, such as the (maximum) duration of lease contracts, deposit arrangements and (interim/early) termination options. Changes in the application and/or interpretation of such regulations by the authorities (including the tax authorities), or by the district courts and courts of appeal, may have a significantly adverse effect on the return and Fair Value of the Company's property. Exit tax, payable by companies whose assets are acquired by an RREC through merger, for instance, is calculated in accordance with Circular Ci.RH.423/567.729 of the Belgian tax authorities dated 23 December 2004, the interpretation or practical application of which may change at any time. The 'actual value for tax purposes', as referred to in this circular, is calculated less the registration duties or VAT (that would be applicable if the asset is sold) and may differ – including being lower than – the fair value of the property as reflected in the Company's balance sheet in accordance with IAS 40.

The result of the Company's operations in countries other than Belgium is not subject to a transparent tax regime. There is a risk that the result (in particular the profit calculation and cost allocation) and/or the tax base (including provisions for (deferred) tax) in these countries should be calculated differently from what is the case today or that the interpretation or practical application of the underlying rules changes. The applicable tax regime and rates may also change. The above may have a significant negative impact on the Company's activities, operating result, financial position and/or prospects.

1.6. Risks associated with the Offer of the New Shares

1.6.1 Risks associated with the investment in the New Shares

Like any investment in shares, investing in the New Shares involves certain economic and financial risks. When considering their decision to invest, candidate investors must realise that they can lose their entire investment in the New Shares.

1.6.2 Liquidity of the Share

The Shares have been admitted to trading on the Euronext Brussels regulated market since 2015.

The Share offers relatively limited liquidity. On 31 December 2017, the turnover rate was 15.97% (based on the total number of shares of 8,128,249 on 31 December 2017) or 18.94% (based on the weighted average number of shares of 6,851,483 in 2017).

The Company is authorised in the framework of the Offer to trade the New Shares on the Euronext Brussels regulated market, which will increase the Company's capitalisation.

The Company has entered into a liquidity contract with Bank Degroof Petercam (see item 6.6.3 below). The Existing Shareholder Aloxe NV has indicated that it will subscribe to the Offer by exercising its Irreducible Allocation Rights (see item 6.2.2 below). Also see item 4.3 below. The Existing Shareholder Aloxe NV entered into a lock-up commitment in the framework of the Offer (see item 6.5). The members of the management team and the Board of Directors holding Existing Shares in the Company have also indicated that they will fully subscribe to the Offer in proportion to the Existing Shares they hold personally (see item 6.2.3).

It cannot be guaranteed that there will be a liquid market for the Shares after the Offer. The extent to which the market is or is not liquid for the Shares may have a considerable impact on the Share price.

1.6.3 Low liquidity of the market of Irreducible Allocation Rights

It cannot be ensured that a market will develop for the Irreducible Allocation Rights. Liquidity on this market may be particularly limited, which may have a negative impact on the stock market price of the Irreducible Allocation Rights. The stock price of the Irreducible Allocation Rights depends on several factors, including but not limited to the performance of the Share price, and can also be subject to significantly higher price fluctuations than the Shares.

After the Subscription Period, non-exercised Irreducible Allocation Rights will be offered for sale to investors in the form of Scrips by means of exempt private placement (via an accelerated bookbuild or accelerated private placement with the composition of an order book), but there is no certainty whatsoever whether or not there will be (enough) buyers for such Scrips. Compensation for non-exercised Irreducible Allocation Rights may even be nil.

The buyers of Irreducible Allocation Rights run the risk of a withdrawal of the Offer. If the Offer is withdrawn, they will be unable to exercise the acquired Irreducible Allocation Rights and will not be entitled to compensation.

1.6.4 Risks associated with the Share stock market price fluctuating considerably due to a variety of factors

The Company can never predict the evolution of the Share stock market price or guarantee the price in any other way. The Share stock market price can also differ significantly from the Share intrinsic value once the Shares are admitted to trading on the Euronext Brussels regulated market.

Certain changes or developments in the Company itself may have a considerable effect on the Share stock price. Certain political, economic, monetary and/or financial factors beyond the Company's control can also result in pronounced fluctuations in volume and price on the stock market. Such volatility can have a significant effect on the Share stock market price for reasons not necessarily related to the Company's operating result.

The sale of a considerable number of Shares on the market or the perception that such sales may happen can also have a negative impact on the Share stock price. The Company is unable to make any predictions about sales or the perfection of the stock market price, and cannot in any way predict such a possible negative impact on the Share stock price. The Share stock price may fall sharply if the Company Shareholders sell a large number of Shares at the same time, for example. In this context, the Company points out that the Existing Shareholder Aloxe NV has entered into a lock-up commitment in which it has agreed not to dispose of the Shares for a period of 90 calendar days after the Date the Offer is completed, except in case of certain exceptional cases as mentioned under item 6.5.

Since 2008, the financial markets have experienced considerable fluctuations that were not always in proportion to the listed companies' results. This volatility can have a significant effect on the Share stock market price for reasons that are unrelated to the Company's operational performance. Domestic and foreign political events can also have a negative effect on the financial markets.

The Issue Price must not be considered indicative for the Shares' market price after the Offer. During certain periods, the Share's trading may be subject to considerable fluctuations in volume and price, even for reasons that are not related to the Company. Certain changes, developments or publications with respect to the Company may also have an effect on the price of the Shares.

The Company cannot make any predictions about the market price of its Shares after the completion of the Offer or about the evolution of the dividend yield.

1.6.5 Dilution with regard to Existing Shareholders not exercising (all) their Irreducible Allocation Rights

In the context of the Offer, the percentage participation in the Company of the Existing Shareholders that do not exercise (all) their Irreducible Allocation Rights or that transfer their Irreducible Allocation Rights will be diluted as described in detail under item 6.9 below.

1.6.6 If Irreducible Allocation Rights are not exercised during the Subscription Period, they become invalid.

If Irreducible Allocation Rights have not been exercised when the Euronext Brussels regulated market closes on the last day of the Subscription Period, they become invalid and are then converted into an equal number of Scrips. Every holder of a Irreducible Allocation Right that has not been exercised on the last day of the Subscription Period is entitled to a proportionate part of the net proceeds from the sale of the Scrips, unless the net proceeds from the sale of the Scrips divided by the number of non-exercised Irreducible Allocation Rights are less than EUR 0.01, as described in detail under item 5.8.5 below. However, it cannot be guaranteed that the Scrips will be sold during the Scrips' private placement and that there will be any type of proceeds.

1.6.7 Possible future dilution for Shareholders

The Company may decide to increase its capital in the future in a public or private issue of Shares or Share purchase rights.

In the event of a capital increase by a contribution in cash, the Company may proceed with a transaction in which the Existing Shareholders retain their preferential rights or it may decide to limit or cancel these preferential rights. In the latter case, the Existing Shareholders will be granted an irreducible allocation right when new securities are allocated, in accordance with Article 26, Section 1 of the Law on Regulated Real Estate Companies and Articles 7 and 11.1 of the Company's Articles of Association.

If the Company were to decide to increase its capital by considerable amounts in the future by contributions in cash, then this may lead to a dilution of the participation of the Shareholders not exercising their irreducible allocation right at the time.

The Company's direct or indirect acquisition of new assets by means of takeovers, contributions, mergers, de-mergers or partial de-mergers may also lead to a dilution of the Shareholders in the Company. In accordance with Articles 592 to 598 of the Belgian Companies Code and the Law on Regulated Real Estate Companies, the persons who are Shareholders at that time do not have a preferential right or an irreducible allocation right in case of a capital increase by contribution in kind. The rules of Articles 26, Sections 2 and 3 of the Law on Regulated Real Estate Companies must always be observed.

1.6.8 Falling stock market prices for the Shares – Withdrawal of the Offer – No

minimum amount for the Offer

A considerable fall in the stock market price of the Shares may have a significant impact on the value of the Irreducible Allocation Rights. Any volatility in the stock market price of the Shares also affects the stock market price of the Irreducible Allocation Rights. It may cause the Irreducible Allocation Rights to lose their value.

If it were decided to withdraw the Offer, the Irreducible Allocation Rights will no longer have any value. Consequently, investors who acquired such Irreducible Allocation Rights will suffer a loss, as the transactions relating to such Irreducible Allocation Rights will not be reversed following the Offer's cancellation.

No minimum amount was set for the Offer. If the Offer is not fully subscribed, the Company has the right to proceed with the capital increase for less than the maximum amount of EUR 134,011,078.00. The final amount of issued New Shares will be published in a press release. The financial resources available to the Company after the Offer and the use of the Offer's proceeds as described under item 4.4 below may therefore be less and the Company may have to seek additional financing.

1.6.9 Withdrawal of the subscription

Subscriptions to the New Shares are binding and may not be withdrawn. However, when a supplement to the Prospectus is published, subscription orders may be withdrawn in accordance with Article 34, Section 3 of the Law of 16 June 2006. Such a withdrawal must be made within the time limit provided in the supplement (which will not be less than two working days after the Supplement's publication). Any Irreducible Allocation Right or Scrip for which a subscription was withdrawn as permitted by law following the publication of a Supplement to the Prospectus will be considered not to have been exercised for the Offer's purpose. The holders of such Irreducible Allocation Rights that have not been exercised may be able to share in the Excess Amount as the case may be. However, if subscription orders are withdrawn after the Subscription Period closes when permitted by law following the announcement of a supplement to the Prospectus, the holders of Irreducible Allocation Rights will not be able to share in the Excess Amount and will not be compensated in any other way. This also applies to the purchase price (and all related costs) paid to acquire Irreducible Allocation Rights or Scrips.

1.6.10 Risks associated with securities and industry analysts

The market for the Shares will be affected by the survey and reports published by industry and stock market analysts about the Company and its industry.

If one or more analysts lower the Share price targets in their publications about the Company or its industry, the Share market price may fall. If one or more of these analysts no longer publish information or regular reports on the Company, the Company may lose visibility on the financial markets, which may cause the Share market price or trade volume to fall.

In the context of the Offer, the analysts working at the Financial Analysis department of the Joint Bookrunners or their associated companies will restrict the monitoring of the Company's Share for a certain period. Such a restriction may lead to a fall in the Share stock market price.

1.6.11 Risks associated with the Promoter's solvency and liquidity

In the event that the Company is dissolved and liquidated in the three years following the date of its Authorisation as a Public Regulated Real Estate Company by the FSMA in accordance with Article 23, Section 2 of the Law on Regulated Real Estate Companies, the Promoter must take the following action: (i) pay back the fees, commissions and charges paid by the Company's shareholders during the acquisition of New Shares and (ii) pay back the fees the Company or one of its perimeter companies (companies in which the Company directly or indirectly holds more than 25% of the share capital) paid for the services of a company associated with or partly owned by the Company or the Promoter.

If the investor subscribes to the New Shares via one of the Underwriters, there are generally no costs involved. If the investor has subscribed via a financial institution other than the Underwriters with charges, it cannot be guaranteed that the Promoter will have the financial resources to compensate all the charges for the acquisition of the New Shares.

As a general rule, the Promoter is a person beyond the Company's control. Consequently, the Company cannot guarantee the Promoter's solvency or guarantee that the Promoter will honour his or her commitments. Even if the Promoter were to be solvent, the Company cannot guarantee that the Promoter will have the financial (liquid) assets required to honour its financial commitments.

1.6.12 Sale of the Shares by the Shareholders and fluctuations of the stock market price of the Shares and the Irreducible Allocation Rights

The stock market sale of a certain number of Shares or Irreducible Allocation Rights, or even the perception that such a sale could take place, could have a negative impact on the stock market price of the Shares or the Irreducible Allocation Rights. The Company cannot predict the possible effects of a sale by the Shareholders or investors on the price of the Share or the Irreducible Allocation Rights.

In this context, the Share stock price could fall sharply if the Company Shareholders were to sell a considerable number of Shares at the same time. The Share stock price could fall below the Issue Price of the New Shares issued under the Offer.

Such sales could also make it more difficult for the Company to issue or sell Shares at a future time deemed appropriate by the Company and at a suitable price. If the Share stock market price falls, the value of the Irreducible Allocation Rights will probably also fall. Holders of Irreducible Allocation Rights who do not wish to exercise their Irreducible Allocation Rights may not succeed in selling them on the market.

1.6.13 Risks associated with clearing and settlement

If the Offer succeeds, the Shares' admission to trading on the Euronext Brussels regulated market will be requested. The New Shares will be issued as dematerialised shares that cannot be physically provided. However, New Shares issued based on Irreducible Allocation Rights that are associated with registered shares will be included as registered shares in the Company's shareholders' register.

The dematerialised New Shares will be entered in the registers of the Euroclear Belgium clearing system managed by Interprofessionele Effectendeposito- En Girokas (C.I.K. NV).

This system can only be accessed by participants of the Euroclear clearing system, such as certain banks, Euroclear Belgium and listed companies. The interests in the New Shares will be transferred between the Euroclear participants in accordance with the usual Euroclear Belgium procedures. Transfers between candidate investors will also observe the usual Euroclear Belgium and Euronext Brussels procedures.

If Euronext Brussels, Euroclear Belgium or other Euroclear participants were to fail to observe their commitments in accordance with the Euroclear Belgium and Euronext Brussels procedures applicable to them, certain candidate investors might not be able to obtain all the New Shares for which they submitted an order. The same risk could occur if certain orders are not correctly passed on to Euronext Brussels. This risk may have an impact on the Company's reputation. This in turn may have financial consequences for the Company that cannot be specified further at this time and therefore have an adverse effect on the value of the Shares, the Irreducible Allocation Rights and the Scrips.

1.6.14 Investors who are residents of countries other than Belgium

In accordance with Belgian law, shareholders of a Public Regulated Real Estate Company have a preferential right or – if this preferential right is restricted or cancelled – an irreducible allocation

right in accordance with Article 26, Section 1 of the Law on Regulated Real Estate Companies in proportion to their existing equity participation to the issue of new shares or other securities that entitle the holder to new shares against a contribution in cash. The exercise of preferential rights or irreducible allocation rights by certain shareholders not resident in Belgium may be limited by the applicable law, applicable practices or other considerations, and such shareholders may not be allowed to exercise such rights.

In particular, there is no assurance that the Company will be able to obtain an exemption from registration under the U.S. Securities Act and the Company is by no means obliged to submit a registration statement regarding any such preferential rights, irreducible allocation rights or underlying securities or to make any effort to have a registration statement declared valid under the U.S. Securities Act.

Shareholders in jurisdictions outside Belgium who are unable or not permitted to exercise their preferential rights or irreducible allocation rights in case of a future offering of preferential rights or irreducible allocation rights may be liable to suffer a dilution of their equity participation.

1.6.15 Risks associated with exchange rates

The Shares and any dividends granted with respect to the Shares will be quoted in Euros. Investors in the Shares whose main currency is not the Euro are exposed to an exchange rate risk that may affect the value of the investment in the Shares and any dividends.

1.6.16 Risks associated with the Financial Transaction Tax

On 14 February 2013, the European Commission approved a proposal for a Council Directive (the 'Draft Directive') about a common financial transaction tax ('FTT'). According to the Draft Directive, the FTT had to be introduced and take effect on 1 January 2014 in 11 Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia, together referred to as the 'Participating Member States'). However, in the meantime, Estonia has stated that it will not participate.

The European Commission withdrew the proposal for the Draft Directive on 30 April 2016. However, the FTT is still the subject of negotiations between the Participating Member States. If an agreement can be reached on an FTT, a new draft directive would have to be drafted and subsequently approved by the European Commission and the Participating Member States. Once the Draft Directive is adopted, it will have to be further implemented in the Participating Member States' domestic legislations. A directive is binding in terms of the result to be achieved. Member States are free to choose how and with which means they implement the directive in their domestic legislation, as long as the intended result is achieved. Consequently, domestic provisions implementing the directive may deviate from the literal wording of the directive itself.

Investors should consult their own tax advisers on the state of affairs and the possible consequences of the FTT in terms of the Share subscription, purchase, retention and disposal.

1.6.17 Risks associated with the fact that shareholders' rights under Belgian legislation may be different from rights under other jurisdictions

The Company is a public limited company (naamloze vennootschap) incorporated under Belgian law. The rights of holders of Shares in the Company are subject to Belgian law and the Company's Articles of Association. These rights may differ significantly from the rights of shareholders in companies incorporated outside Belgium.

1.6.18 Risks associated with takeover provisions in Belgian legislation

Public takeover bids on the Company's Shares and other securities giving access to voting rights are subject to the Belgian Law of 1 April 2007 on public takeover bids, as amended from time to time (the 'Takeover Law') and the FSMA's supervision. Public takeover bids must involve all the Company's securities with voting rights and all other securities that entitle the holders to the registration, acquisition or conversion of securities with voting rights. Before making an offer,

bidders must prepare and distribute a prospectus that has been approved by the FSMA. The bidder must also gain the approval of the relevant competition authorities if such approval is legally required for the acquisition of the Company.

The Takeover Law stipulates that a mandatory bid must generally be issued if – following an acquisition by a person or by other parties acting in consultation with or on behalf of this person – a person directly or indirectly holds more than 30% of the securities with voting rights in a company with a registered office in Belgium and at least some of its securities with voting rights are traded on a regulated market or a multilateral trading facility referred to by the Royal Decree of 27 April 2007 on public takeover bids (the 'Takeover Decision'). The fact that the relevant threshold has been exceeded by the acquisition of shares will generally result in a mandatory bid, regardless of whether the price paid in the relevant transaction was higher than the current market price or not.

Various provisions of the Belgian Companies Code and certain other provisions of Belgian law, such as the obligation to disclose significant stakes, merger control and the issued capital, may apply to the Company and may make an unsolicited takeover bid, a merger, change of management or other control changes more difficult. These provisions may discourage potential acquisition attempts by third parties that other shareholders consider as in their best interests and may adversely affect the Share market price. These provisions would prevent shareholders from selling their Shares at a premium (which is usually offered in the context of a takeover bid).

1.6.19 Risks associated with certain transfer and sale restrictions

The Company has requested the admission of all of its existing and new Shares to trading on the Euronext Brussels regulated market in Belgium, but it has not registered the Shares under the U.S. Securities Act or the securities acts of other jurisdictions, such as Canada, Australia, Japan or any other jurisdiction where the Share registration or qualification is required but has not taken place, unless exemption from the applicable registration or qualification requirement is available or the Share offering or sale is made in connection with a transaction that is not covered by such provisions.

2. GENERAL INFORMATION

2.1. FSMA approval

The Prospectus consists of the Registration Document (including all information incorporated by reference), the Securities Note (including all information incorporated by reference) and the Summary. The Belgian Financial Services and Markets Authority (FSMA) approved the Dutch versions of the Securities Note and the Summary on 29 May 2018 in accordance with Article 23 of the Law of 16 June 2006. The FSMA approved the Dutch version of the Company's annual financial report for the financial year 2017 on 10 April 2018 as a registration document as referred to by Article 28 of the Law of 16 June 2006. However, this approval does not include the FSMA's evaluation of the appropriateness and quality of the Offer or the Company's situation.

The Securities Note and Registration Document were written in Dutch and translated into English. The Summary was written in Dutch and translated into English and French. The Company is responsible for ensuring that the English version of the Securities Note, the English translation of the Registration Document and the French and English translations of the Summary correspond with the approved Dutch version of the Securities Note, the Dutch version of the Registration Document and the Dutch version of the Summary. If there are any discrepancies between the various versions, the language version approved by the FSMA will prevail. If there are any inconsistencies between the Securities Note, Registration Document and Summary, the Securities Note and Registration Document take precedence over the Summary and the Securities Note takes precedence over the Registration Document.

2.2. Advance warning

The Prospectus was prepared to describe the conditions of the Offer. Potential investors are invited to form their own opinions on the Company, the terms of the Offer, the opportunity to invest in the Shares and the accompanying risks.

The summaries and descriptions of statutory, legal and other provisions included in the Prospectus are provided for information purposes only and must not be interpreted as investment, tax or legal advice to potential investors. Potential investors are invited to consult their own advisers on the legal, tax, economic, financial and other aspects of subscribing to the New Shares, the Irreducible Allocation Rights or Scrips.

In case of any doubt on the content or meaning of information included in the Prospectus, potential investors are invited to contact a competent person or person specialised in giving advice on the acquisition of financial instruments.

The New Shares, Irreducible Allocation Rights and Scrips are not recommended by any authorised federal, regional or local authority in terms of financial instruments or by any supervisory authority in Belgium or abroad. The investors themselves are responsible for the analysis and assessment of the advantages and risks involved in subscribing to the New Shares, Irreducible Allocation Rights or Scrips.

2.3. Information on a consolidated basis

Unless otherwise stated in the context or specifically mentioned otherwise, every Portfolio reference to the Company's portfolio, assets, figures and activities must be understood on a consolidated basis and include the data of the Company's subsidiaries.

On the date of this Securities Note, the Company owns two Belgian subsidiaries, Stubis BVBA (100%) and Promiris Student NV Promiris Student NV (50% of the shares, of which only half are paid up). Xior also has one Dutch subsidiary (100%), Stu Project – Naritaweg Amsterdam B.V., which in turn has three 100% subsidiaries, Barajasweg 60-70 B.V., Connect Development B.V. and Naritaweg 151-161 B.V.

2.4. Restrictions regarding the Offer and the distribution of the Prospectus

2.4.1 Potential investors

When the New Shares are issued, the legal preferential right will be terminated and the Irreducible Allocation Right will be granted in favour of the Existing Shareholders. The following may subscribe to the New Shares: holders of Irreducible Allocation Rights, regardless of whether they acquired the Irreducible Allocation Rights in their capacity as Existing Shareholders, in a purchase on the Euronext Brussels regulated market or in a private purchase.

2.4.2 Countries where the Offer is available

The Offer consists of a public offering of New Shares in Belgium and an exempt private placement of the Scrips in the form of an accelerated bookbuild (an accelerated private placement with the composition of an order book) executed in Belgium, Switzerland and the European Economic Area in accordance with Regulation S of the U.S. Securities Act.

2.4.3 Restrictions applicable to the Offer

The distribution of the Prospectus and the offering, subscription, purchase or sale of the New Shares, Irreducible Allocation Rights and Scrips as described in the Prospectus may be restricted by statutory or regulatory provisions in some countries. All persons in possession of the Prospectus must enquire about the existence of such restrictions and must abide by them. The Prospectus and all other documents relating to the Offer must not be submitted for approval to any supervisory authority outside Belgium, may be distributed outside Belgium only in

accordance with the applicable laws and regulations and must not be offered for registration in countries where such an offer is in violation of current legislation or regulations. The Prospectus is in no way an offer or request for the subscription, purchase or sale of the New Shares, Irreducible Allocation Rights or Scrips in any country where such an offer or request is unlawful and must never be used for this purpose or in that context.

Persons (including trustees and nominees) who receive the Prospectus must not distribute or send it to such countries unless the applicable local laws and regulations are observed and such distribution does not impose any additional obligations on the Company.

Persons who send the Prospectus to such countries or who allow it to be sent to such countries for whatever reason must bring the provisions of this section to the attention of the addressee.

The persons who acquire the New Shares, Irreducible Allocation Rights or Scrips or who exercise Irreducible Allocation Rights outside Belgium are responsible for ensuring that the acquisition or exercise of their rights does not violate local laws and regulations. Neither the Company nor the Underwriters have taken action to allow the acquisition or exercise of New Shares, Irreducible Allocation Rights or Scrips outside Belgium, nor will they take any action in this respect in the future.

Without prejudice to the above, the Company and Underwriters reserve the right to refuse an offer to purchase the New Shares if they consider such a transfer to be in violation of the applicable legislation or regulations.

2.4.4 Member States of the European Economic Area (except Belgium)

No offering of New Shares, Irreducible Allocation Rights or Scrips was made or will be made to the public in a Member State of the European Economic Area ('**Member State**') other than Belgium, if the Prospectus was not approved by the competent authority in that Member State or submitted to the competent authority in that Member State in accordance with Article 18 of the Prospectus Directive and subsequently published in accordance with the Prospectus Directive as transposed in that Member State, unless the Offer may be made in a Member State under one of the following exemptions provided by the Prospectus Directive (including any measure to transpose the Prospectus Directive in each Member State) insofar as these exemptions were transposed in the relevant Member State:

1. to qualified investors within the meaning of the law transposing Article 2(1)(e) of the Prospectus Directive in the Member State;
2. to fewer than 150 natural persons or legal entities (other than qualified investors as defined in the Prospectus Directive); or
3. in all other cases as referred to by Article 3(2) of the Prospectus Directive,

and if such an Offer of New Shares, Irreducible Allocation Rights or Scrips in the Member State does not oblige the Company to issue a prospectus in accordance with Article 3 of the Prospectus Directive.

For the purpose of this provision, the term 'public offering' refers to any communication to persons in any form and by any means providing sufficient information about the terms and conditions of the Offer and the New Shares, the Irreducible Allocation Rights or the Scrips in order to enable investors to make a decision on whether or not to subscribe. This definition in the relevant Member State may be amended by any measure transposing the Prospectus Directive in that Member State.

2.4.5 United States

No public offering of New Shares, Irreducible Allocation Rights or Scrips was or will be made in the territory of the United States or to U.S. persons or persons acting on behalf or for the benefit of such U.S. persons.

The New Shares, Irreducible Allocation Rights or Scrips will not be offered or sold in the territory of the United States or to U.S. persons or persons acting on behalf or for the benefit of such U.S. persons.

Subject to certain exceptions, by accepting the Prospectus and the delivery of the New Shares, Irreducible Allocation Rights or Scrips, each acquirer of New Shares, Irreducible Allocation Rights or Scrips is considered to have stated, guaranteed and acknowledged the following:

- on the date of delivery or acquisition, he or she is or will be the beneficial owner of such movable values, and (a) he or she is not a U.S. person and is situated outside the territory of the United States, and (b) he or she is not a person associated with the Company or acting on behalf of a person mentioned under (a) or (b).
- the New Shares, Irreducible Allocation Rights and Scrips are not and will not be registered within the meaning of the U.S. Securities Act and he or she accepts that he or she will only offer, sell, pledge or transfer these movable values outside the United States and in accordance with Regulation S of the U.S. Securities Act.
- The Company, the Underwriters and their associates and any other third party can rely on the authenticity and accuracy of the above-mentioned acknowledgements, statements and guarantees.

The offering of the New Shares, Irreducible Allocation Rights or Scrips has not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission of any U.S. State or any other regulatory authority in the United States of America and none of these agencies have ever recommended this Offer or expressed an opinion on the accuracy or suitability of this Prospectus. Any different statement is a crime in the United States of America.

An offer, sale or transfer of New Shares, Irreducible Allocation Rights or Scrips in the United States by a financial intermediary (regardless of whether or not it is participating in this Offer) may be in violation of the U.S. Securities Act registration obligations.

Unless otherwise stated, the terms used in this section have the same meaning as in Regulation S of the U.S. Securities Act.

2.4.6 United Kingdom

The Prospectus is only meant for and distributed to: (i) persons located outside the United Kingdom or (ii) qualified investors who are (a) investment professionals as referred to in Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) or (b) high net worth entities and other persons to whom the Prospectus may be legally provided as referred to in Article 49(2) (a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time), together referred to as 'relevant persons'.

The New Shares are exclusively available to relevant persons and any invitation, any offering or any agreement on the subscription, purchase or acquisition of these New Shares shall involve the relevant persons only. Persons who are not relevant persons must not base their actions on the Prospectus and its contents.

2.4.7 Switzerland

The New Shares must not be offered publicly in Switzerland and will not be listed on the SIX Swiss Exchange (the '**SIX**') or any other stock exchange or regulated trading facility in Switzerland. The Prospectus was prepared without taking into account the disclosure requirements for issue prospectuses under Article 652a or Article 1156 of Part V of the Swiss Civil Code or with the disclosure requirements for listing prospectuses under Article 27 ff of the SIX Listing Rules or the listing rules of any other regulated trading facility in Switzerland. Neither

the Prospectus, nor any other offering document or publicity document on the Offer, the Company or the New Shares was submitted to or approved by any Swiss supervisory authority. This document will not be registered with the Swiss Financial Market Supervisory Authority (FINMA) and the Offer of New Shares will not be supervised by said authority.

2.4.8 Japan

The New Shares are not and will not be registered under the Financial Instruments and Exchange Law. The Prospectus is not an offering of securities for direct or indirect sale or subscription in Japan, to residents of Japan (here the term resident refers to all persons residing in Japan, including companies or legal entities under Japanese law), to other persons for direct or indirect repurchase or resale in Japan or to or for the benefit of residents of Japan, except under an applicable exemption from the registration requirements of the Financial Instruments and Exchange Law and subject to compliance with this law and any other applicable legislation, regulations and ministerial directives of Japan.

2.4.9 Canada, Australia and South Africa

The Prospectus must not be distributed or otherwise made available in Canada, Australia or South Africa, and the New Shares and Irreducible Allocation Rights must not be directly or indirectly offered, sold or exercised by any person in Canada, Australia or South Africa, unless such distribution, offering, sale or exercise is permitted under the applicable law of the relevant jurisdiction.

3. **INFORMATION ON RESPONSIBILITY FOR THE PROSPECTUS, THE RESTRICTION OF THIS RESPONSIBILITY AND GENERAL REMARKS**

3.1. **Party responsible for the Prospectus**

The Company, which is represented by its Board of Directors³ accepts responsibility for the Prospectus.

3.2. **Statement by the party responsible for the Prospectus**

After having taken all reasonable measures, the Company declares that, as far as it is aware, the information contained in the Prospectus is consistent with reality and no information has been omitted that would change the scope of the Prospectus if mentioned.

The Prospectus is intended to provide information to potential investors in the context of and for the sole purpose of allowing them to assess investing in the New Shares, Irreducible Allocation Rights or Scrips. It contains selected and summarised information, does not express any commitment, does not include any recognition or rejection and does not specifically or implicitly create any entitlement among persons who are not potential investors. It may be used solely in connection with the Offer.

The Prospectus content must not be construed as an interpretation of the Company's rights and obligations, market practices or agreements.

3.3. **No statements**

No information should be provided or statements made regarding the Offer that are not included in the Prospectus. If such information is given or such statements are made, they must not be regarded as authorised or recognised by the Company or one of the Underwriters.

³ The composition of the Board of Directors remains unchanged from the composition described in Chapter 6.1.5 of the Registration Document.

As far as the Company's Board of Directors is aware, the information in the Registration Document can be considered as representative of the Company's situation on the date the Registration Document was approved, which was on 10 April 2018.

In accordance with Belgian law, important recent changes or evolutions that occurred after these dates and that may affect the valuation of the New Shares are described in this Securities Note under item 7.1.

Also in accordance with Belgian law, if an important new development or a material error or inaccuracy with regard to the information in the Prospectus is detected that may affect the New Shares' valuation by investors between the Prospectus' date of approval and the final closing of the Offer or the start of the New Shares' trading on the Euronext Brussels regulated market if that date is after the closing of the Offer, this must be mentioned in a supplement to the Prospectus in accordance with Belgian law (in particular Article 34 of the Law of 16 June 2006). This supplement will be submitted for FSMA approval and will be published in the same way as the Prospectus.

The information included in the Securities Note must be considered as correct only on the date stated on the first page of the Securities Note or on the date of any supplement to the Prospectus published in accordance with the previous paragraph.

If a supplement to the Prospectus is published as a result of a significant new development, material mistake or inaccuracy, investors who agreed to subscribe to the Offer before the publication of the supplement to the Prospectus are entitled to withdraw their subscription within (at least) two working days after the supplement's publication, provided that the new development, mistake or inaccuracy occurred before the Offer's final closing and before the Delivery Date.

3.4. Other statements

The Underwriters make no statement and do not give any specific or implicit guarantee regarding the accuracy or completeness of the information included in the Prospectus. The Underwriters therefore do not accept any responsibility whatsoever with regard to the information included in the Prospectus.

The Prospectus does not include any commitment or declaration by the Underwriters and must not be regarded as such.

Nobody has been authorised to provide any information or make any statements relating to the Company or the New Shares (other than those included in the Prospectus) or to provide any other information, if applicable.

In the context of the Offer, the Underwriters are acting only for the benefit of the Company and nobody else. They will not consider any other person as their customer with respect to the Offer, regardless of whether said person received any part of the Prospectus, and they may not be held liable by any other person for providing protection to their customer or for offering advice regarding the Offer or any other transaction referred to in the Prospectus.

3.5. Forward-looking statements

The Prospectus contains forward-looking statements, prospects and estimates produced by the Company with respect to the expected future performance of the Company and the markets in which it is active.

Some of these forward-looking statements, prospects and estimates are characterised by the use of words like (non-exhaustive list): 'believes', 'thinks', 'foresees', 'anticipates', 'searches', 'would', 'plans', 'expects', 'contemplates', 'calculates', 'can' or 'may', 'will', 'remains', 'wishes', 'understands', 'intends', 'has the intention', 'trusts', 'tries', 'estimates', 'is on the view', 'thinks' and

similar expressions or the use of the future tense. The information they refer to is not historical facts.

Such statements, prospects and estimates are based on multiple assumptions and assessments of known or unknown risks, uncertainties and other factors that seem reasonable and acceptable at the time of the review, but which may or may not prove accurate. Actual events are difficult to predict and may depend on factors beyond the Company's control. This uncertainty is strengthened further in the current general economic context, more specifically with regard to the financial markets, which makes it more difficult to predict interest rate changes, tenants' financial health and the impact on property valuation.

Consequently, the Company's results, financial position, performance or achievements or the results of the industry may actually differ significantly from the future results, performance or achievements described or suggested in these forward-looking statements, prospects or estimates. The factors possibly causing such differences include, but are not limited to those described in Chapter 1 'Risk Factors' of this Securities Note and in the 'Risk Factors' chapter of the Registration Document. Existing Shareholders and potential investors should not have too much confidence in such statements, prospects and estimates. In addition, the statements, prospects and estimates are valid only on the date of this Securities Note and the Company is not bound to update these statements, prospects or estimates to take account of any changes in its expectations or changed events, conditions or circumstances on which such statements, forecasts or estimates are based, unless it is required to do so under Belgian law (in particular Article 34 of the Law of 16 June 2006), in which case the Company will publish a supplement to the Prospectus.

In the context of the Offer, the Statutory Auditor was asked to review the prospects under item 7.2 ('Trends and Prospects') of this Securities Note. The Statutory Auditor has agreed that its report be included in this Securities Note (see item 7.2.2.3 ("Statutory Auditor's report on the consolidated financial forecast").

3.6. Information

Unless otherwise stated in the Prospectus, the information in the Prospectus is based on independent publications of representative organisations, reports of market analysts and other independent sources or the Company's own estimates and assumptions, which the Company considers to be reasonable. If certain information originates from independent sources, the Prospectus refers to these independent sources.

The information provided by third parties has been properly incorporated and no facts have been omitted that would make the shown information incorrect or misleading as far as the Company is aware and to the best of its knowledge based on the information published by the third party involved. The Company, the Underwriters and their respective counsellors have not independently verified this information. In addition, market information is subject to change and is not systematically verifiable with certainty due to the limited availability and reliability of the basic information, the voluntary nature of data collection contributions and other restrictions and uncertainties inherent to any statistical market information survey.

Consequently, investors must be aware that market information, classifications and estimates and assumptions supported by such information may not be entirely accurate.

3.7. Rounding of financial and statistical information

Certain financial and statistical data in the Prospectus is rounded. It is therefore possible that the sum of certain data does not equal the provided total.

3.8. Availability of the Prospectus and Company documents

3.8.1 Availability of the Prospectus

Together, this Securities Note (including all information incorporated by reference), the Registration Document (including all information incorporated by reference) and the Summary make up the Prospectus. The Securities Note, Registration Document and Summary are available in Dutch and English. The Summary is also available in French. The Prospectus will be made available to investors free of charge from 31 May 2018 (before stock market opening) at the Company's registered office at Mechelsesteenweg 34, box 108, 2018 Antwerp. The Prospectus will also be made available to investors free of charge at ING Belgium upon request by phone on +32 (0)2 464 60 01 (NL), +32 (0)2 464 60 02 (FR) or +32 (0)2 464 60 04 (EN) and on its websites www.ing.be/aandelentransacties (NL), www.ing.be/transactionsdactions (FR) and www.ing.be/equitytransactions (EN), at Kempen & Co upon request by email to equitycapitalmarkets@kempen.com, at Bank Degroof Petercam upon request by phone on +32 (0)2 287 97 11 (NL, FR and EN) and on its website www.degroofpetercam.be/nl/nieuws/xior_2018 (NL) www.degroofpetercam.be/fr/actualite/xior_2018 (FR) and www.degroofpetercam.be/en/news/xior_2018 (ENG) and at Belfius Bank upon request by phone on +32 (0)2 222 12 02 (NL), +32 (0)2 222 12 01 (FR) and on its website www.belfius.com/xior2018 (NL, FR and EN). The Prospectus will also be available on the Company website (www.xior.be/kapitaalverhoging) from 31 May 2018 (before stock marketing opening).

The publication of the Prospectus on the internet does not constitute an offer for sale or an invitation to submit an offer to purchase Shares to persons who are situated in a country where such an offer or invitation is not permitted. The electronic version must not be copied, made available or printed for distribution.

Other information on the Company website or any other website is not part of the Prospectus (unless the information is incorporated in the Prospectus by reference).

3.8.2 Availability of the Company documents

The Company must file its Articles of Association, any amendments to the Articles of Association and other documents to be published in the Annexes to the Belgian Official Journal for public consultation with the registry of the Dutch-language Commercial Court of Antwerp. A copy of the latest version of the consolidated version of the Articles of Association and the Corporate Governance Charter can also be consulted on the Company website.

In accordance with Belgian legislation, the Company must draw up a statutory and consolidated annual financial statement. The statutory and consolidated annual financial statements, the annual report of the Company's Board of Directors and the Statutory Auditor's report are filed with the National Bank of Belgium, where they can be consulted by the public.

As a listed company, the Company is also obliged to publish its half-yearly condensed financial statements and its audited annual financial statements, the Statutory Auditor's report and the annual report of the Company's Board of Directors. Copies of these are available on the Company website. The Company must disclose information that may affect the price and information about its shareholder structure and certain other information to the public.

In accordance with the Royal Decree of 14 November 2007, this information and further documentation is made available in press releases, the Belgian financial press, the Company's website, the communication channels of the Euronext Brussels regulated market or a combination of these media. The Company website is www.xior.be.

3.9. Accountability for inspection of the accounts

PwC Bedrijfsrevisoren / Reviseurs d'Entreprises, a civil cooperative company with limited liability under Belgian law with its registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, with company number 0429.501.944 (Brussels Register of Legal Entities, Dutch-language), registered with the Institute of Statutory Auditors and represented by Statutory Auditor Damien Walgrave was appointed as the Company's Statutory Auditor at the General Shareholders' Meeting of 23

November 2015 until the Ordinary Annual General Meeting where the annual financial statement for the financial year ended on 31 December 2017 will be decided. The Statutory Auditor, represented as mentioned above, was reappointed at the general meeting of Shareholders of 17 May 2018 until the ordinary general meeting's decision on the annual accounts for the financial year ending on 31 December 2020.

The audit of the Company's separate and consolidated annual financial statements for the financial years ended on 31 December 2015, 31 December 2016 and 31 December 2017 was carried out by the Statutory Auditor in accordance with the legal provisions (prepared in accordance with the international financial reporting standards adopted by the European Union) and the current inspection standards in Belgium, as issued by the Institute of Statutory Auditors. The Statutory Auditor provided an unqualified opinion about the annual financial statements of the last two financial years.

The Statutory Auditor's reports are available on the Company website.

The Consolidated Financial Statements are included in Section 10 'Financial Report' of the Registration Document. The Statutory Auditor's report on the consolidated annual financial statement for the year ended on 31 December 2017 is included in Section 10.9.36 'Statutory Auditor's report on the consolidated annual financial statement' of the Registration Document.

3.10. Documents incorporated by reference:

This Prospectus must be read and interpreted in combination with:

- the interim statement of the Board of Directors for the first quarter of the financial year 2018 (ended 31 March 2018), announced on 4 May 2018;
- the Company's audited consolidated annual financial statements for the financial years 2015 (ended on 31 December 2015), 2016 (ended on 31 December 2016) and 2017 (ended on 31 December 2017) in conjunction with the Statutory Auditor's report on these as included in the Company's annual financial reports for 2015, 2016 and 2017, which were approved as Registration Documents;
- the other press releases listed below published previously or together with this Prospectus.

These documents were filed with the FSMA and are included in and part of this Prospectus, provided that statements in documents that are incorporated by reference will be changed or replaced for the purpose of this Prospectus insofar as the statements in this Prospectus change or replace such earlier statements. Such changed or replaced statements will not be part of this Prospectus, except as amended or replaced.

Copies of documents incorporated by reference in this Prospectus are available (free of charge) at the Company's registered office or on the Company's website (www.xior.be).

The Company confirms that it has obtained its Statutory Auditor's approval to incorporate the above-mentioned Statutory Auditor's reports by reference in this Prospectus.

The table below includes references to the relevant pages of the Company's audited consolidated annual financial statements for the financial years ended on 31 December 2017, 31 December 2016 and 31 December 2015. Except for the information included in the Company's Annual Financial Report 2017, which constitutes the Registration Document of this Prospectus, information not included in the table below but incorporated in the documents by reference is provided for information purposes only (if still current).

The Company's audited consolidated annual financial statement for the financial year ended on 31 December 2017 – Xior Annual Financial Report 2017 (Dutch version)

- Risk factors p. 11-28

- Management report	p. 47-64
- Property report	p. 103-151
- Consolidated annual financial statement	p. 160-184
- Notes	p. 185-232
- Statutory Auditor's report	p. 232-237
- Permanent document	p. 259-282

The Company's audited consolidated annual financial statement for the financial year ended on 31 December 2016 – Xior Annual Financial Report 2016 (Dutch version)

- Risk factors	p. 11-26
- Management report	p. 45-59
- Property report	p. 97-139
- Consolidated annual financial statement	p. 146-159
- Notes	p. 159-214
- Statutory Auditor's report	p. 215-217
- Permanent document	p. 237-260

The Company's audited consolidated annual financial statement for the financial year ended on 31 December 2015 – Xior Annual Financial Report 2015 (Dutch version)

- Management report	p. 41-52
- Consolidated annual financial statement	p. 128-138
- Notes	p. 139-179
- Statutory Auditor's report	p. 180-181

Press releases:

- 9 February 2018: "Annual Communiqué – Announcement of 2017 annual results"
- 9 March 2018: "Convening of Extraordinary General Meeting of 10 April 2018"
- 12 March 2018: "Xior Student Housing closes deal on the acquisition of a student building in Enschede | Investment value of approx. EUR 28 million"
- 13 March 2018: "Xior Student Housing closes deal with BPI Real Estate on the acquisition of a student building in Brussels"
- 28 March 2018: "Acquisition of real estate project in Enschede through contribution in kind | Capital and equity increase of approx. EUR 18 million"
- 28 March 2018: "Intended private placement of 517,628 shares in Xior Student Housing"
- 28 March 2018: "Successful placement of 517,628 shares"
- 10 April 2018: "Convening of Extraordinary General Meeting of 27 April 2018"
- 17 April 2018: "Publication of Annual Financial Report 2017 | Convening of General Meeting 17 May 2018"
- 26 April 2018: "Xior Student Housing acquires site with 247 units in Amsterdam | Total investment value of approx. EUR 47 million"
- 4 May 2018: "Interim announcement by the Board of Directors | First quarter 2018 – ended on 31 March 2018"
- 9 May 2018: "Minutes of the Extraordinary General Meeting of 27 April 2018"
- 30 May 2018: "Xior announces new investment opportunities of approximately EUR 129 million. Capital increase of approximately EUR 134 million to finance growth strategy"

4. **KEY DATA**

4.1. **Working capital**

In the Company's opinion, the working capital on the date of this Securities Note is sufficient to meet the Company's current commitments for a 12-month period from the date of this Securities Note.

4.2. **Capitalisation and debt**

4.2.1 Capitalisation

On 31 March 2018, the Company's consolidated equity was KEUR 243,416, as detailed in the table below:

In KEUR	31 March 2018
Capital	153,497
Issue premiums	78,677
Reserves	9,226
- Statutory reserves	0
- Reserve for the balance of the changes in the fair value of property	6,668
- Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	-6,642
- Reserve for the balance of the changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in the IFRS	-1,866
- Retained earnings from previous financial years	11,067
Result of the financial year	2,016
Total equity attributable to parent company shareholders	243,416
Minority interests	0
Total equity	243,416

4.2.2 Debt

On 31 March 2018, the Company's consolidated debt was KEUR 285,120, as detailed in the table below:

In KEUR	31 March 2018
Non-current liabilities	
Non-current financial debts	
a. Credit institutions	266,763

Other non-current liabilities	
a. Permitted hedging instruments	1,636
Deferred tax liabilities	8,231
Total non-current liabilities	276,630
Current liabilities	
Trade debts and other current liabilities	
a. Exit tax	0
b. Other	3,192
Other current liabilities	3,157
Accruals and deferred payments	2,141
Total current liabilities	8,490
Total liabilities	285,120

On 31 March 2018, the consolidated financial debt was KEUR 285,120. The debt in the consolidated debt ratio (which was 53.62% on 31 December 2017 and 51.69% on 31 March 2018) as defined by the Royal Decree on Regulated Real Estate Companies does not include KEUR 1,636 in 'permitted hedged instruments', which is the negative value of the hedging instruments, KEUR 8,231 in 'deferred tax liabilities' and KEUR 2,141 in 'accruals and deferred payments'.

On the date of this Securities Note, the Company has acquired additional real estate (by acquiring 100% of the shares in the real estate companies concerned, as the case may be) (see Chapter 7.1.2 of this Securities Note). As a result of these acquisitions, the pro-forma⁴ debt ratio on the date of this Securities Note is 57.50%.

On the date of this Securities Note, the Company has not taken out any mortgages on any Belgian or Dutch buildings and has not pledged any of these properties for the benefit of its creditors.

On the date of this Securities Note, the Company has concluded some financing agreements up to EUR 395 million for use in its real estate activities, insofar as the debt ratio as defined in the Royal Decree on Regulated Real Estate Companies remains less than 60% and the Company complies with the other usual commitments in line with the market. EUR 66 million of this is available on the date of the Securities Note.

More detailed information on the Company's debt is provided in the Company's audited consolidated annual financial statement for the financial year ended on 31 December 2017, included in note 10.9.33 of the Registration Document, in the Board of Directors' Interim Report (Q1 2018) of 4 May 2018 and under item 7.1.2 of this Securities Note.

⁴ This pro-forma calculation based on the debt ratio of 31 March 2018 only takes into account the acquisitions completed after 31 March 2018 (Amsterdam Naritaweg, Leuven Tiensestraat 274 / Windmolenveldstraat 2-4 and Brussels Woodskot) (see Chapter 7.1.2 of this Securities Note), and the dividend payment of 22 May 2018. It does not take into account any evolutions in working capital requirements, planned other (dis)investment, operating results and property portfolio valuations that may affect the Company's total assets and debt position and therefore also its debt ratio.

4.3. Interests of natural persons and legal entities involved in the Offer

ING Belgium is acting as Sole Global Coordinator, as Joint Bookrunners together with Kempen & Co, Bank Degroof Petercam and Belfius Bank and as Underwriters in the context of the Offer and will conclude an Underwriting Agreement with the Company under certain conditions (see item 6.4.3 below).

In addition:

- ING Belgium concluded long-term credit agreements with the Company (see Chapters 5.3.1, 10.9.22 and 10.9.33 of the Registration Document and Press Release of 30 May 2018 “Xior announces new investment opportunities of approximately EUR 129 million. Capital increase of approximately EUR 134 million to finance growth strategy”); and
- ING Belgium concluded contracts for hedging instruments with the Company (see Chapters 5.3.2 and 10.9.22 of the Registration Document).
- Bank Degroof Petercam signed a liquidity contract with the Company (see Chapter 12.4.4 of the Registration Document);
- Belfius Bank concluded long-term credit agreements with the Company (see Chapter 5.3.1 of the Registration Document and Press Release of 4 May 2018 “Interim announcement of the Board of Directors|First quarter 2018 – ending on 31 March 2018”);
- The above-mentioned financial institutions have provided various banking, investment, commercial and other services to the Company in return for compensation, and they could also provide such services for compensation in the future.

Xior's main shareholder Aloxe NV has informed the Company that it intends to subscribe to the Offer for the maximum of 875,663 New Shares by exercising the Irreducible Allocation Rights associated with the Existing Shares it now owns. Beyond what is stated under item 6.2.3 of this Securities Note, the Company is not aware whether Existing Shareholders will or will not subscribe to the Offer.

4.4. Reasons for the Offer and use of proceeds

To expand its property portfolio, the Company strives towards balanced financing that includes both debt and equity. Equity financing is done with contributions in kind (see the merger and contribution transactions already achieved by the Company in the past) or by acquiring financial resources with a capital increase in cash.

The Offer's main objective is part of this pursuit of a balanced financing structure and allows the Company to acquire new financial resources and strengthen its equity in order to continue the implementation of its growth strategy and maintain an appropriate debt ratio of approximately 55% at the same time.

On 31 March 2018, the debt ratio was 51.69%. As a result of the takeover of the site in Amsterdam (Naritaweg)⁵, the Woodskot Project in Brussels (Rue Camusel/Camuselstraat)⁶ and the property at Tiensestraat 274 / Windmolenveldstraat 2-5 Leuven; see Chapter 7.1.2 of this Securities Note – the pro-forma⁷ debt ratio on the date of this Securities Note is 57.50%.

If the Offer is fully subscribed, its net proceeds are estimated at EUR 131.1 million (after deduction of Offer commissions and costs paid by the Company, as described in Chapter 6.8).

⁵ See also our press release of 26 April 2018.

⁶ See also our press release of 13 March 2018.

⁷This pro-forma calculation based on the debt ratio of 31 March 2018 only takes into account the acquisitions completed after 31 March 2018 (Amsterdam Naritaweg, Leuven Tiensestraat 274 / Windmolenveldstraat 2-4 and Brussels Woodskot) (see Chapter 7.1.2 of this Securities Note), and the dividend payment of 22 May 2018. It does not take into account any evolutions in working capital requirements, planned other (dis)investment, operating results and property portfolio valuations that may affect the Company's total assets and debt position and therefore also its debt ratio.

- Prior to the Offer's announcement, EUR 80.05 million was already invested in 2018 in additional acquisitions (of which EUR 70.99 million was already used for projects including the acquisition of the property in Enschede through a(n) (indirect) contribution in kind on 28 March 2018) and development projects (EUR 9.06 million already used):
 - o Acquisition of the project in Enschede (Ariënsplein) on 12 March 2018 (through (indirect) contribution in kind of the land and existing constructions);
 - o Acquisition of the Woodskot Project in Brussels;
 - o Acquisition of the site in Amsterdam (Naritaweg) by purchasing 100% of the shares in the property companies concerned on 25 April 2018;
 - o Acquisition of a property in Leuven (Tiensestraat 274 / Windmolenveldstraat 2-4);
 - o Development project expenditure.

The Company intends to use all net proceeds to finance its investment pipeline and further growth, in combination with credit financing as the case may be. Before the Offer's publication, the Company announced potential additional investments and development projects for a total amount of approximately 215 million:

- Planned additional investment projects in 2018 (including subsequent costs of (re)development projects, as the case may be): approximately EUR 163 million:
 - o Joint venture for a development project in Brussels (Zaventem): EUR 36 million;
 - o Redevelopment of Bonnefanten College in Maastricht: EUR 34 million;
 - o Acquisition of the sites in Utrecht (Rotsoord) and Amsterdam (Karspeldreef), provided that the Company actually decides to exercise the call option it holds for (the property companies concerned that own) these properties: EUR 93 million.
- Planned expenditure for the (re)development of buildings in the portfolio: approximately EUR 51.10 million, of which
 - o approximately EUR 15.90 million in 2018 and
 - o approximately EUR 35.20 million in and possibly after 2019.

In addition to the announced acquisitions and development projects, the Company continuously analyses possible investment opportunities. These opportunities may consist of acquisitions of existing properties and redevelopment projects (managed by the Company itself or in cooperation with external partners or by external partners). The Company is not sure if any of these opportunities will materialise in the short or medium-term. In particular, the Company, as one of the interested parties, also participates in public procurement procedures, for which it qualifies.

To ensure the efficient management of liquidities and pending their actual use to finance the growth strategy, the Offer's net proceeds will initially be used partially (at least temporarily) for repayment of outstanding loans under existing revolving credit lines, on the understanding that the Company may call in new loans under these revolving credit facilities when necessary to finance its growth depending on the planned investments (and their timing). The Offer's net proceeds combined with the existing available credit lines that have not been drawn down (EUR 66 million) and additional credit lines that will be entered into after the Offer's completion will allow the Company to further finance its growth strategy.

If the Offer is fully subscribed, the net amount of the capital increase will result in the Company's pro-forma debt ratio falling from 57.50% on the date of the Prospectus to 38.74%. This pro-forma calculation based on the debt ratio on 31 March 2018 takes into account only the acquisition of the Woodskot Project in Brussels (Camuselstraat) the acquisitions of the student property in Leuven Tiensestraat 274 -Windmolenveldstraat 2-4 and the site in Amsterdam (Naritaweg) – see Chapter 7.1.2 of this Securities Note), and the dividend payment on 17 May 2018. It does not take into account any evolution in working capital needs, any other planned divestment or investment, the operating results or the valuation of the property portfolio that may affect the Company's total assets and debt position and therefore its debt ratio.

The Offer's proceeds combined with the increased borrowing capacity following the Offer will therefore allow the Company to finance its growth further.

The Offer will not only support the execution of ongoing investment projects, but will also allow the Company to strengthen its balance sheet structure in order to continue its growth through new student property acquisitions.

The Company will further refine the amounts and timing of the Company's actual expenses depending on factors such as the evolution of the Company's debt ratio, the availability of appropriate investment opportunities, the conclusion of agreements with potential sellers under the right conditions, the Offer's net proceeds and the Company's operating costs and expenses.

5. Information on the securities that will be offered and admitted to trading on the regulated market of Euronext Brussels regulated market

5.1. New Shares type and form

5.1.1 Type, category and date when the offered securities will qualify for dividends and be admitted to trading

All New Shares are issued in accordance with Belgian law and are fully paid-up, ordinary, non-par-value shares in the same category as the Existing Shares with voting rights and representing the capital. They will offer the same rights as the Existing Shares, although they will only participate in the Company results proportionately for the current financial year 2018 starting from 12 June 2018.

The New Shares will therefore be issued with coupon no. 8 and following attached;. Coupon no. 6 represents the Irreducible Allocation Rights and coupon no. 7 represents the proportionate dividend for the current financial year 2018 until 11 June 2018 (see also item 5.3.2 below).

The New Shares will be allocated ISIN code BE0974288202, which is the same code as the one used for the Existing Shares. The Irreducible Allocation Rights have ISIN code BE0970165685.

5.1.2 Form

The New Shares will be issued in dematerialised form and will be entered as such on the account of the relevant shareholders with their financial intermediary. However, New Shares issued based on Irreducible Allocation Rights that are associated with registered shares will be included as registered shares in the Company's shareholders' register.

Shareholders may ask the Company to convert their dematerialised shares into registered shares or vice versa at any time and at their own expense. Investors are requested to enquire about the cost of this conversion with their financial institution.

The dematerialisation is handled by Euroclear Belgium with its registered office at Boulevard du Roi Albert II/Koning Albert II-laan 1, 1210 Brussels.

5.1.3 Issue currency

The issue is in Euros.

5.2. Competent courts and legislation to be observed by the created Shares

The Shares are subject to Belgian law.

The Antwerp Division of the courts of Antwerp has jurisdiction over any dispute between the investors and the Company in connection with the Offer and the New Shares.

5.3. Rights associated with the Shares

5.3.1 Voting rights

Each share carries one vote, except in cases where voting rights are suspended by law. Shareholders may cast their votes by proxy.

The co-owners, usufructuaries, bare owners, pledge debtors and pledge creditors must each be represented by one person.

5.3.2 Dividends

General

All Shares participate in the Company's results in the same way and entitle the holders to any dividends granted by the Company. However, the new Shares will be issued without coupon no. 7, which entitles holders to a proportionate dividend for the current financial year 2018 until 11 June 2018. The New Shares will therefore only participate in the result of the current financial year 2018 from 12 June 2018, as the New Shares will be issued on 12 June 2018 according to the Timetable.

Coupon no. 7 will in principle be detached from the Existing Shares on 30 May 2018 (after stock market closing). This coupon represents the right to receive the proportionate part of the dividends until 11 June 2018 to be granted for the current financial year 2018 (always subject to approval at the general meeting in this case). The dividends granted for the financial year 2018 will in principle be paid on or around 16 May 2019

The New Shares will therefore be issued with coupon no. 8 and following. Coupon no. 8 – or one of the following coupons as the case may be – represents the right to receive the proportionate part of the dividend for the current financial year 2018 from 12 June 2018.

In accordance with Article 11, Section 3 of the Law on Regulated Real Estate Companies, the Company is not obliged to establish a statutory reserve. The capital compensation distributed by the Company must be no less than the positive difference between the following amounts:

- 80% of the sum of the adjusted result and net gains on the realisation of property not exempt from the payment obligation, as determined in accordance with the plan in Chapter III of Annex C of the Royal Decree on Regulated Real Estate Companies and
- the net reduction in the Company's debt for the financial year, as referred to in Article 13 of the Royal Decree on Regulated Real Estate Companies.

How the balance is used is decided at the general meeting based on a proposal from the Board of Directors.

Although the Company has the status of a Public Regulated Real Estate Company, it remains subject to Article 617 of the Belgian Companies Code which stipulates that a dividend may be distributed only if its distribution does not make the net assets at the end of the financial year in question fall below the sum of the paid-up capital and all the reserves that may not be distributed by law or under the Articles of Association (see item 1.3.12).

The Board of Directors can decide to pay out interim dividends at its own responsibility in accordance with the Belgian Companies Code and Article 35 of the Articles of Association. Without prejudice to the provisions of the Law of 14 December 2005 on the abolition of bearer securities, the right to receive paid dividends on ordinary shares expires five years after the date of issue under Belgian law. From that date, the Company no longer has to distribute such dividends.

Dividends for the financial year 2018

The Company aims to grant a gross dividend for the financial year 2018 that at least remains stable compared with the gross dividend of EUR 1.20 per Share in 2017, subject to unforeseen circumstances. Xior expects to at least repeat the results of the previous year in 2017, after the number of shares increased by 54% after the successful capital increase of June 2017 and then increased again by 6.4% as a result of the contribution in kind caused by the receivables resulting from the acquisition of the student building located in Enschede, the Netherlands, and the (hypothetical) successful completion of the proposed capital increase of 50%. This estimate is of course subject to the results and its approval at the ordinary general meeting for the financial year 2018. For the dividend forecast for the financial year 2018, reference is also made to item 7.2.2 of this Securities Note. The amount of the dividend to be granted for the financial year 2018 will be spread proportionately across coupon no. 7 (for the period from the start of the financial year 2018 to 11 June 2018) and coupon 8 or any following coupons as the case may be (for the period from 12 June 2018 until the end of the financial year 2018). The Company therefore expects that the Offer will not lead to a dilution of the previously announced dividend forecast.

5.3.3 Rights in case of liquidation

The liquidation proceeds will be distributed to all Shareholders in proportion to their stake after all debts, charges and settlement costs have been paid.

In the event that the Company is dissolved and liquidated in the three years following the date of its Authorisation as a Public Regulated Real Estate Company by the FSMA in accordance with Article 23, Section 2 of the Law on Regulated Real Estate Companies, the Promoter must take the following action: (i) pay back the fees, commissions and charges paid by the Company's shareholders during the acquisition of Offered Shares and (ii) pay back the fees the Company or one of its perimeter companies (companies of which the Company directly or indirectly holds more than 25% of the share capital) paid for the services of a company associated with or partly owned by the Company or the Promoter.

5.3.4 Preferential and irreducible allocation right

A capital increase by contribution in cash generally offers the Company's Shareholders a preferential right in accordance with Articles 592 and following of the Belgian Companies Code. The Company may restrict or cancel the Shareholders' preferential right in case of a capital increase by contribution in cash, provided that the Shareholders receive irreducible allocation rights when the new securities are allocated in accordance with Article 26, Section 1 of the Law on Regulated Real Estate Companies and Articles 7 and 11.1 of the Company's Articles of Association.

This irreducible allocation right must meet the following conditions: (i) It relates to all newly issued securities. (ii) It is granted to Shareholders in proportion to the share of the capital represented by their Shares at the time of the transaction. (iii) A maximum price per share is announced before the eve of the opening of the public subscription period. (iv) In that case, the public subscription period must last at least three trading days. See also under item 6.1.1 of this Securities Note.

Notwithstanding the implementation of Articles 595 to 599 of the Belgian Companies Code, the aforementioned does not apply in case of a contribution in cash with restriction or cancellation of preferential rights, as a complement to a non-cash contribution in the context of the distribution of optional dividend, insofar as this is actually paid to all Shareholders.

5.3.5 Acquisition and disposal of own Shares

In accordance with the Belgian Companies Code and Article 10 of the Company's Articles of Association, the Company can purchase or take in pledge its own Shares. Such transactions must be communicated to the FSMA.

The Company can dispose of its own Shares on or outside the stock market under the terms and conditions set by the Board of Directors and without prior approval of the General Meeting, provided that the applicable market rules are observed.

The authorisations also apply to acquisitions and disposals of Company Shares by one or more of the Company's direct perimeter companies.

In accordance with the general meeting of 23 November 2015, the Board of Directors is permitted to acquire the Company's own shares up to a maximum of 20% (twenty percent) of the total issued shares at a unit price that must not fall below 10% (ten percent) of the average share list price on Euronext Brussels for the last thirty days and must not exceed 110% (one hundred and ten percent) of the average share list price on Euronext Brussels for the last thirty days. This authorisation is granted for a renewable 5-year period starting from 23 November 2015.

On the date of the Securities Note, the Company did not own any own Shares and no own Shares were pledged for the Company's benefit by any Existing Shareholders.

5.3.6 Conversion conditions

In accordance with Article 8 of the Company's Articles of Association, each Shareholder can request to have his or her Shares converted into registered shares or dematerialised shares at any time at his or her own expense.

5.3.7 Authorised capital

In accordance with Article 603 of the Belgian Companies Code and Article 7 of the Company's Articles of Association, the Company's Board of Directors is authorised to increase the authorised capital once or several times by an amount up to

- (i) 50% of the amount of the share capital on 27 April 2018 (EUR 77,812,893) for public capital increases through contribution in cash allowing the preferential subscription right or the irreducible allocation right to be exercised by the Company shareholders.
- (ii) 50% of the amount of the share capital at the time of the extraordinary general meeting of 27 April 2018 (EUR 77,812,893), before capital increases in the context of the distribution of an optional dividend;
- (iii) 20% of the amount of the share capital at the time of the extraordinary general meeting of 27 April 2018 (EUR 31,125,157.20), before capital increases through contribution in kind or through contribution in cash, with no provision being made for Company shareholders to exercise statutory pre-emption rights or the irrevocable allocation rights; and

provided that the Board of Directors shall never increase the capital in any case with more than the legal maximum amount.

This authorisation was granted for a renewable period of 5 years starting from 28 May 2018, which is the publication date of the minutes of the Extraordinary General Meeting of 27 April 2018 in the Annexes to the Belgian Official Journal. The capital increases decided by the Board of Directors can be implemented by means of a subscription in cash or in kind, mixed contributions or conversion of reserves, including retained profits, issue premiums and all equity components under the Company's IFRS statutory annual financial statement (drawn up under the regulations applicable to regulated real estate companies) that are eligible for conversion into capital, with or without the creation of new securities. If the capital increases decided by the Board of Directors include an issue premium, the Board of Directors must place the issue premium amount – possible reduced by an amount up to the costs of the capital increase as referred to by the applicable IFRS rules – in a non-distributable reserve account to serve as a guarantee to third parties in the same way as the capital. Subject to the issue premium's incorporation into the capital, it can only be reduced or abolished in a resolution at the general shareholders' meeting in accordance with the quorum and majority rules applicable to amendments of the Articles of Association. On the date of this Securities Note, the Company has not yet used the authorised capital.

5.4. Restrictions on the free transferability of the Shares

Subject to the general limitations described under item 2.4 ('Restrictions with regard to the Offer and the distribution of the Prospectus') and the specific restrictions to which the Company and Existing Shareholder Aloxe NV is committed as described under item 6.5 ('Standstill arrangements') below, there is no restriction on the Shares' free transferability other than those applicable by law.

5.5. Issue of the New Shares

The New Shares will be issued based on a principle decision taken by the Company's Board of Directors on 29 May 2018 with regard to the authorised capital.

As further explained under item 6.1.1 of this Securities Note, the Company's Board of Directors has decided that the Offer's maximum amount will be EUR 134,011,078.00.

The total Issue Price (of the placed New Shares) will be contributed as capital at the current par value of the Existing Shares (EUR 18.00). The difference between the par value and the total Issue Price will be entered as an issue premium after deduction of an amount equal to the cost of the capital increase as referred to by the applicable IFRS rules to a non-distributable account to serve as a guarantee to third parties in the same way as the share capital. Subject to the issue premium's incorporation into the capital, it can only be reduced or abolished in a resolution at the general shareholders' meeting in accordance with the rules applicable to amendments of the Articles of Association. Following the capital increase and issue of the New Shares, the capital representative value of all (New and Existing) Shares will be made equal to represent the same fraction of the Company's share capital. Because the total Issue Price will only be contributed as capital at the current par value of the Existing Shares, the amount still available to the Board of Directors to decide on a capital increase in cash within the context of the authorised capital (see item 5.3.7 above) is sufficient.

In principle, the New Shares will be issued on 12 June 2018 (before stock market opening).

5.6. Applicable regulations regarding mandatory public takeover bids and public buyout offerings

5.6.1 General provisions

The Company is subject to the Belgian regulations for public takeover bids and public buyout offerings. These are the law of 1 April 2007 on public takeover bids and the two royal decrees of 27 April 2007 on public takeover bids public buyout offerings respectively, the main principles of which are summarised and complemented below.

No public takeover bid for the Company's Shares has been issued by a third party to date.

5.6.2 Mandatory public takeover bid

All public takeover bids are supervised by the FSMA and require the preparation of a prospectus that must be submitted to the FSMA for prior approval.

The law of 1 April 2007 states that every person who – following an acquisition either by that person alone, by the person together with other persons or by the person together with parties acting on the person's behalf or on behalf of the other persons – directly or indirectly owns more than 30% of the securities with voting rights in a company with its registered office based in Belgium and with at least some of its securities with voting rights admitted to a regulated market or multilateral trading platform designated by the King is obliged to issue a public takeover bid on all the securities with voting rights or securities offering access to voting rights issued by the Company.

Subject to certain exceptions, the bidding obligation generally arises simply when the 30% threshold is exceeded after the acquisition of securities, regardless of whether the paid compensation for the acquisition is higher than the market price or not.

The regulations provide a number of deviations from mandatory public bidding in case of certain mergers and certain capital increase transactions (a capital increase decided at the general meeting complying with the existing shareholders' preferential rights).

The price of the mandatory bid must be no less than the highest of the following amounts: (i) the highest price paid for the securities by the bidder or a person acting jointly with the bidder for the 12 months prior to the bid's announcement and (ii) the weighted average market price for the 30 calendar days prior to the date when the bidding obligation arose.

In principle, the bid can be in cash, in securities or in a combination of both. If the offered compensation consists of securities, the provider must propose a price in cash as an alternative in two cases: (i) if the provider or a person acting jointly with the provider for the 12 months prior to the bid's announcement or during the period of the bid has acquired or is committed to acquiring securities against cash payment, or (ii) if the price does not consist of liquid securities admitted to trading on a regulated market.

The mandatory takeover bid must cover all securities with voting rights or giving access to voting rights, such as convertible bonds or warrants, and must be unconditional.

The Belgian Companies Code and other regulations (such as the regulations on the disclosure of significant stakes, see item 5.7 below) and the regulations on merger control) include other provisions that may possibly be applicable to the Company, have an effect or make it more difficult to achieve a hostile takeover bid or change of control.

In accordance with the Belgian Companies Code and the provisions of the Company's Articles of Association, the Company is authorised to acquire own Shares and increase its capital by means of the authorised capital (see items 5.3.5 and 5.3.7 above).

It should also be noted that the credit agreements concluded by the Company usually include a so-called change of control clause that allows banks to request full repayment of credit in the event of a change of control within the Company.

5.6.3 Public squeeze-out

In accordance with Article 513 of the Belgian Companies Code, as amended by the Law of 1 April 2007 on public takeover bids and the Royal Decree of 27 April 2007 on squeeze-outs, one or several natural persons or legal entities acting in concert who together with the Company holds or hold 95% of the securities with voting rights in a company that is making or has made a public call on savings, may acquire all securities with voting rights or giving access to voting rights by means of a public squeeze-out.

Securities not offered voluntarily under such a bid shall be legally regarded as transferred to the bidder with consignment of the price, and the Company will no longer be regarded as a company that is making or has made a public call on savings. The price must be a cash amount that represents the securities' fair value in a manner that safeguards the security holders' interests.

If the bidder (or any person acting in concert with the bidder) holds 95% of the voting capital and securities with voting rights following a voluntary or mandatory public takeover bid, the bidder may require all other holders of securities with voting rights or giving access to voting rights to sell their securities at the offer price, provided that in the event of a voluntary offer, his acceptance of the offer means that he holds securities representing at least 90% of the voting capital to which the offer relates. In that case, the bidder will reopen his bid within three months of the end of the offer's acceptance period under the same terms as the offer.

This procedure for a simplified public squeeze-out corresponds to a squeeze-out in the sense of Article 513 of the Belgian Companies Code, to which the Royal Decree of 27 April 2007 on public squeeze-outs is not applicable. Securities that have not been offered by the end of the acceptance period of the reopened bid will be legally considered to have been transferred to the bidder.

5.6.4 Sell-out

Holders of securities with voting rights or giving access to voting rights can require a bidder who is acting separately or jointly and after a public purchase offer holds 95% of the voting rights and 95% of the securities that give access to voting rights in a company that is making or has made a public call on savings to take over their securities at the price of the offer, provided that the offer allowed the bidder to hold securities representing at least 90% of the voting capital to which the public offer relates.

5.6.5 Implementation of the Law on Regulated Real Estate Companies

Article 23, Section 3 of the Law on Regulated Real Estate Companies states that: 'The promoters must ensure that at least 30% of the voting securities of the public RREC are continuously and permanently in public ownership within one year of its accreditation, for instance by means of a public offering for sale or subscription. Promoters are subject to an obligation of means with regard to the actual public registration to the above-mentioned offerings.

If an offering for sale or subscription occurs when less than 30% of voting securities of the public RREC is distributed among the public, the promoters set the price per security in connection with such an offering based on an estimate of the net value per share less than four months before the date of issue or sale and they justify any discrepancies with that value. The FSMA assesses whether that price is reasonable.'

If a public takeover bid is launched for the Company's shares based on the regulations described under items 5.6.2 to 5.6.4 above and as a result, less than 30% of the Company's shares are distributed among the public, the Company could lose its public character and its license as a RREC under implementation of Article 23, Section 3 of the Law on Regulated Real Estate Companies.

5.7. Publication of significant stakes

In accordance with the Law of 2 May 2007 and the Royal Decree of 14 February 2008 on the disclosure of significant stakes, all natural persons or legal entities who directly or indirectly acquire voting securities from an issuer whose shares have been admitted to trading on a regulated market must disclose to the issuer and the FSMA the number and percentage of voting rights they hold as a result of this acquisition made alone or jointly with one or more other persons, if the voting rights associated with these securities together represent 5% or more of the total existing voting rights. The same disclosure should take place if the 10%, 15% or 20% thresholds are exceeded and then for every 5% bracket.

Notification is also required in case of a direct or indirect transfer of voting securities if the transfer makes the voting rights fall below the thresholds of 5%, 10%, 15%, 20% and so on.

A notification must also be submitted if the percentage of voting rights associated with the voting securities held directly or indirectly as a result of events that have changed the distribution of voting rights is above or below the above-mentioned thresholds, even if no acquisition or sale of securities has taken place.

A declaration is also required if natural persons or legal entities conclude, amend or terminate a mutual agreement for joint action if the percentage of voting rights associated with this agreement for joint action or held by one of the agreement parties is above or below the above-mentioned thresholds.

Notification is also required if a natural person or legal entity directly or indirectly gains or loses control of a company that holds 5% or more of an issuer's voting rights.

The notifications must be reported within a period of four trading days starting on the trading day after the date of the event causing the notification obligation.

The notifications can be electronic. The forms to be used and a practical guide are available on the FSMA website (www.fsma.be). The issuer receiving a notification that voting securities have gone below or above a threshold must disclose this information within three trading days of receiving it.

The Company did not use the regulatory option to provide additional disclosure thresholds in its Articles of Association, as confirmed by Article 12 of its Articles of Association.

The transparency statements reported to the Company are published on the Company website.

5.8. Tax system

5.8.1 Prior warning

The following paragraphs summarise certain consequences of the acquisition, possession, ownership and transfer of Shares and the collection of dividends or proceeds from Shares from the point of view of Belgian tax law.

This summary is based on the applicable tax laws, regulations and administrative interpretations in Belgium on the date this Prospectus was drafted and is provided subject to changes in Belgian tax law, including any retroactive changes.

This summary does not take into account and does not describe the tax legislation in countries other than Belgium, and does not take into account specific circumstances specific to each investor. This summary does not take into account any deviating tax rules that may apply to persons, institutions or organisations in a special tax regime.

Potential investors who want more information about the tax consequences in Belgium and abroad with regard to the acquisition, possession, ownership and transfer of Shares and the collection of dividends or proceeds from Shares are invited to consult their usual financial and tax advisers.

In this summary, a Belgian resident is (i) a person subject to Belgian personal income tax (a natural person whose domicile or seat of fortune is in Belgium or an equivalent person), (ii) a company subject to Belgian corporation tax (a company with its registered office, head office or seat of management or control in Belgium), or (iii) a legal entity subject to Belgian tax for legal entities (a legal entity other than a company subject to corporation tax with its registered office, head office or seat of control or management in Belgium). Non-residents are persons who are not Belgian residents.

5.8.2 Dividends

5.8.2.1 Withholding tax

Belgian income taxes generally treat the gross amount of all benefits paid or granted with regard to the Shares as dividend payments. By way of exception, the repayment of share capital, issue premiums and amounts subscribed to when profit-sharing certificates were issued that are carried out in accordance with the provisions of the Company Code is not considered as dividend, provided that this repayment is attributed to the tax capital according to a proportionate formula that takes into account the tax capital, the amounts equated to the tax capital and the total taxed reserves and exempted reserves. The tax capital generally comprises the actually paid-up share capital and under certain conditions the paid issue premiums and the amounts subscribed to when the profit certificates were issued.

The Belgian withholding tax on dividends is generally 30% (from 1 January 2017) subject to reduction or exemption under the applicable Belgian provisions or double taxation treaties.

5.8.2.2 Natural persons based in Belgium

The withholding tax on the dividend income of private investors who are Belgian national residents is the final tax in Belgium. Dividend income does not have to be declared in the personal income tax return. Nevertheless, when a private investor chooses to include the dividend income in his personal income tax return, this income will be taxed at the individual rate of 30% or at the progressive rate, whichever is lower, also taking into account the taxpayer's other declared income. If the dividend income is actually declared, the withholding tax may be settled with the final income tax payable and any surplus is refundable, provided that this allocation or availability for payment does not result in a capital loss or decrease in value for these Shares. This condition does not apply if the private investor shows that he has held these Shares in full ownership for a continuous 12-month period before the allocation of the dividends.

The withholding tax on the dividend income of professional investors who are Belgian national residents is not the final tax in Belgium. The dividend income must be declared in the personal tax return for taxation at the marginal personal income tax rate plus the municipal rates. The withholding tax can be settled with the personal income tax and any surplus is refundable, provided that the professional investor fully owns the Shares when the dividend is distributed or made payable and insofar as this allocation or availability for payment does not result in a capital loss or decrease in value for these Shares. This condition does not apply if the professional investor shows that he has held these Shares in full ownership for a continuous 12-month period before the allocation of the dividends.

5.8.2.3 Belgian companies

Belgian companies subject to corporation tax must include the dividends in their corporate income tax return. They are generally taxed on the gross dividend received (including the withholding tax) at the applicable corporation tax rate (as of the financial years starting from 1 January 2018 associated with the tax year 2019, the corporation tax basic rate is 29.58% including the additional crisis contribution).

Dividends distributed by the Company are generally not eligible for deduction from the final taxed income, because as a Public RREC, the Company is in a different tax regime and therefore does not meet the so-called 'taxation condition' (Article 203, Section 1, 2°bis of the 1992 Income Tax Code).

However, the dividends paid by the Company are still eligible for deduction from the final taxed income to the extent that these dividends result from income that is (i) derived from real estate located in another Member State of the European Union or a state that has a double taxation treaty with Belgium, provided that this agreement or any other treaty provides for an exchange of information required for the implementation of the statutory provisions of the contracting states and (ii) subject to corporation tax, non-resident taxation or a foreign tax similar to these taxes, or not in a tax regime deviating from common law (Article 203, Section 2, Paragraph 6 of the 1992 Income Tax Code). The dividends distributed by the Company are also eligible for deduction from the final taxed income insofar as and to the extent that these dividends arise from dividends that meet the taxation terms listed in Article 203, Section 1, 1 to 4 of the 1992 Income Tax Code. The so-called quantitative terms (the participation condition and detention condition) of Article 202, Section 2, Paragraph 1 of the 1992 Income Tax Code (cf. Article 202, Section 2, Paragraph 3, 3 of the 1992 Income Tax Code) do not apply to the implementation of the deduction from the final taxed income as explained above.

The company receiving the dividend can generally settle the withholding tax with the corporate tax. Any surplus is refundable, provided that the company fully owns the Shares when the dividend is distributed or made payable and insofar as this allocation or availability for payment does not result in a capital loss or decrease in value for these Shares. This last condition is not applicable (i) if the company shows that it has fully owned these Shares for a continuous 12-month period before the dividends were allocated or made available for payment, or (ii) if during this period, the Shares did not at any time belong to a taxpayer who is not a company subject

to corporation tax or to a foreign company that has continuously invested these Shares in a Belgian organisation.

Belgian companies holding a minimum 10% stake in the Company's capital when the dividends are allocated or made available for payment can become exempt from withholding tax under certain conditions and subject to their compliance with certain formalities.

5.8.2.4 Belgian legal entities

The withholding tax for taxpayers subject to tax for legal entities is generally the final tax due.

5.8.2.5 Non-residents

Withholding tax on dividends distributed to non-residents is generally the final tax in Belgium, unless the non-residents hold the shares for professional purposes in Belgium via a permanent organisation in Belgium or a Belgian organisation.

A portion of the dividends distributed to non-resident depositors by the Company can be exempt from withholding tax under certain conditions Pursuant to Article 106, Section 7 of the Royal Decree implementing the 1992 Income Tax Code. This exemption does not apply to the portion of distributed dividends derived from Belgian real estate and from dividends the Company itself acquired from a domestic company, unless the latter is a RREC itself and the dividends it distributes to the Company do not derive from dividends it received from a domestic company or from income from Belgian real estate.

Belgium has concluded double taxation treaties with many countries, so that the rate of the withholding tax can be reduced if the shareholder is a resident of the country Belgium concluded such a treaty with and if certain conditions and formalities are met.

Foreign pension funds as referred to in Article 106, Section 2 of the Royal Decree implementing the 1992 Income Tax Code can be exempt from withholding tax on dividends distributed by the Company under certain conditions.

5.8.3 Capital gains and losses

5.8.3.1 Belgian natural persons

The capital gains realised by a natural person based in Belgium on the sale of the Shares (in the context of the normal management of his or her private equity) is in principle not taxable. Any capital losses on these Shares are not tax deductible.

Exceptionally, a natural person may still be subject to a 33% tax plus the municipal rates if the capital gains are realised outside the scope of the private equity's normal management. The realised capital losses for such transactions are generally not tax deductible.

Capital gains realised on the transfer of Shares to a foreign company based outside the European Economic Area for payment by a natural person holding more than 25% of the Shares at any time five years prior to the transfer (a so-called 'significant stake') are subject to a 16.50% income tax (plus municipal rates). This rate applies to transfers of significant stakes held by Belgium-based private investors in their own name or together with their spouse or certain other family members.

The capital gains realised on Shares held for professional purposes by natural persons are taxed at the progressive income tax rates between 25% and 50% (plus the municipal rates). Capital gains realised on Shares that were held for five years or more are taxed at a rate of 16.50% (plus the municipal rates). Capital losses realised on the transfer of the Shares are generally tax deductible.

5.8.3.2 Belgian companies

Article 192 of the 1992 Income Tax Code states that as of the financial years starting from 1 January 2018 associated with the tax year 2019, companies can benefit from a favourable tax

regime for capital gains realised on shares in the form of (i) a complete exemption from the capital gains realised on shares (if the Shares were held in full ownership for a continuous period of at least one year and the Shares represent at least 10% of the Company capital or have an acquisition value of at least EUR 2,500,000), (ii) or a separate tax of 25.50% (if the Shares represent at least 10% of the Company capital or have an acquisition value of at least EUR 2,500,000 and the shares were not held in full ownership for a period of at least one year). However, the income received on those shares must meet the so-called 'taxation condition' for deduction from the final taxed income (see item 5.8.2.3 above). If this condition is not fulfilled, the capital gains are taxed at the standard rate of 29.58% (as of the financial years starting from 1 January 2018 associated with the tax year 2019). If this condition is partially met, only part of the capital gains will be eligible for the capital gains exemption and separate tax. Any capital losses suffered by Belgian companies are generally not tax deductible.

5.8.3.3 Belgian legal entities

The capital gains realised on the Shares by taxpayers subject to tax for legal entities are generally not taxed. Any capital losses are not tax deductible.

Under certain circumstances, capital gains realised on the sale of (part of) a 'significant stake' are subject to 16.50% income tax (see item 5.8.3.1 above).

5.8.3.4 Non-residents

Capital gains on the sale of Shares by non-resident natural persons are generally not taxable in Belgium provided that (i) the Shares are not held for professional purposes via a permanent organisation in Belgium or a Belgian organisation used by the non-resident in Belgium, (ii) the capital gains are realised in the context of the normal management of his or her private equity, and (iii) there is no 'significant stake' (see item 5.8.3.1 above). Capital losses are not tax deductible in Belgium.

Capital gains realised on Shares by non-resident companies or legal entities are generally not taxable in Belgium provided that the shares are not held via a permanent organisation in Belgium or a Belgian organisation. Capital losses are not tax deductible in Belgium.

5.8.4 Tax on stock exchange transactions

5.8.4.1 Subscription

The subscription, in particular the acquisition of New Shares on the Primary Market issued by the Company's capital increase, will not result in tax on stock exchange transactions.

5.8.4.2 Acquisition

The purchase and sale and any other type of paid acquisition and disposal of Shares in Belgium via a professional intermediary (secondary market) are subject to tax on stock exchange transactions of 0.12% of the transaction price. If the order is given directly or indirectly to an intermediary who is based abroad, either by a natural person with habitual residence in Belgium or by a legal entity on behalf of an organisation or office in Belgium, the transactions are also considered as made or executed in Belgium. The tax on stock exchange transactions is limited to EUR 1,300 per transaction and per party.

The following persons are always exempted from tax on stock market transactions if they are acting on their own behalf: (i) The professional intermediaries mentioned in Article 2, 9 and 10 of the Law of 2 August 2002 on the supervision of the financial sector and financial services (ii) The insurance companies mentioned in Article 2, Section 1 of the Law of 9 July 1975 on the control of insurance companies (iii) The institutions for occupational retirement provision mentioned in Article 2, 1 of the Law of 27 October 2006 on supervision institutions for occupational retirement provision (iv) Collective investment undertakings (v) Regulated real estate companies (vi) Non-residents (on the condition that they present a certificate proving that they are not resident in Belgium).

5.8.5 Payment of non-exercised Irreducible Allocation Rights and the sale of

Irreducible Allocation Rights before the end of the Subscription Period

If the Excess Amount divided by the number of Irreducible Allocation Rights were to exceed EUR 0.01, it is paid to the holders of non-exercised Irreducible Allocation Rights (in accordance with the provisions under item 6.1.3 of this Securities Note).

The payment of the Excess Amount is generally not subject to Belgian withholding tax. If the Excess Amount is paid, it is generally not taxable in Belgium for natural persons resident in Belgium, except if those natural persons resident in Belgium hold the Irreducible Allocation Rights (that are not exercised) for professional purposes. In that case, the gains realised upon receipt of the Excess Amount (if paid) will be taxed at the progressive income tax rates plus the municipal rates.

The gains realised by Belgian companies upon receipt of the Excess Amount (if paid) are subject to corporate tax at the normal corporate tax rate (29.58% including crisis contribution as of the financial years starting from 1 January 2018 associated with the tax year 2019).

Legal entities subject to the Belgian tax for legal entities are generally not taxed on the payment of the Excess Amount (if paid).

Non-residents are generally not subject to tax on the payment of the Excess Amount (if paid), unless the non-residents hold the Irreducible Allocation Rights for professional purposes in Belgium via a permanent establishment in Belgium or a Belgian organisation.

The same Belgian tax assessment applies to gains realised on the sale of the Irreducible Allocation Rights before the end of the Subscription Period. Losses realised on the Irreducible Allocation Rights are generally tax deductible for professional investors.

The rules for the tax on stock exchange transactions set out under item 5.8.4 also apply to the payment of the Excess Amount (if paid) and to the sale of Irreducible Allocation Rights before the end of the Subscription Period: the applicable rate is 0.35% and the total tax on stock exchange transactions is capped at EUR 1,600 per transaction and per party.

5.8.6 Tax on the securities account

A new tax on securities accounts ('taks op effectenrekeningen' or TER) came into force on 10 March 2018. If a natural person holds one or more securities accounts and the average value of the qualifying financial instruments in these securities accounts exceed EUR 500,000 during the reference period, 0.15% in tax on securities accounts is due on the natural person's part of the average value. Securities accounts held by Belgian and foreign intermediaries for residents are subject to the tax on securities accounts. Securities accounts held by Belgian intermediaries for non-residents are subject to the tax on securities accounts. Legal persons are not subject to the tax on securities accounts.

If the Shares are held by a natural person in a securities account with a Belgian intermediary (for residents and non-resident residents) and/or with a foreign intermediary (for residents), the average value of the Shares will also be taken into account to calculate the average value of the securities account(s).

Registered shares entered in a share register and not held in a securities account are outside the scope of the tax on securities accounts. If a share is/was registered in a securities account and this share has been converted into a share held in a share register and no longer on a securities account from 9 December 2017, the average value of this share is still included in the calculation of the average value of the securities account(s) for the reference period in which the conversion took place. A conversion between 9 December 2017 and 9 March 2018 will be allocated to the first reference period of the tax on securities accounts.

The average value of the securities account(s) is calculated over the reference period. This period starts on 1 October and ends on 30 September of the following year. The period may be shorter

when a securities account is opened or closed. The first reference period starts on 10 March 2018 and ends on 30 September 2018.

If the securities account is held with a Belgian intermediary, the tax on the securities account will be calculated, declared, withheld and paid by this intermediary. The declaration must be submitted and the tax on securities accounts must be paid by the twentieth day of the third month following the end of the reference period. The payment by the Belgian intermediary discharges the natural person from his or her obligation to pay the tax on securities accounts.

If the securities account is held with a foreign intermediary, the account holder is responsible for the calculation, declaration and payment of the tax on securities accounts, unless the natural person can show that the foreign intermediary is responsible for the calculation, declaration, deduction and payment of the tax on securities accounts. If the natural person is responsible for the declaration, it must be submitted at least one day before the personal income tax return is submitted. The tax on securities accounts must be paid by 31 August of the year following the tax year.

The personal income tax return of residents and non-residents/natural persons (non-residents) must disclose the existence of multiple securities accounts that include qualifying financial instruments and that are held with a Belgian intermediary (residents and non-residents) and/or with a foreign intermediary (residents).

Under certain double taxation treaties with the Belgian state, Belgium is not entitled to levy a wealth tax on the capital of non-residents. If the tax on securities accounts is considered a wealth tax in the context of such double taxation treaties, a non-resident may follow the rules of the double taxation treaty under certain conditions. In such cases, Belgium cannot levy the tax on a securities account held with a Belgian intermediary by a non-resident.

Investors should consult their own tax advisers on the possible consequences of the tax on securities accounts in terms of the Shares' subscription, purchase, retention and disposal.

6. TERMS AND CONDITIONS OF THE OFFER

6.1. Terms and conditions, information on the Offer, expected Timetable and action to be taken to respond to the Offer

6.1.1 Terms and conditions of the Offer

On 29 May 2018, the Company's Board of Directors decided to increase the Company's capital in the context of the authorised capital in accordance with Article 603 of the Companies Code and Article 7 of the Articles of Association with a contribution in cash of maximum EUR 134,011,078.00, including a possible issue premium, waiving the legal preferential right, but granting Irreducible Allocation Rights to the Existing Shareholders (see also items 5.3.4 and 5.3.7).

Article 26, Section 1 of the Law on Regulated Real Estate Companies stipulates that the preferential right in case of a capital increase can only be restricted or cancelled if the existing shareholders are granted irreducible allocation rights when the new securities are allocated. This irreducible allocation right must meet the following conditions:

- it must relate to all newly issued securities;
- it must be granted to the shareholders in proportion to the capital represented by their shares at the time of the transaction;
- a maximum share price must be announced no later than on the eve of the start of the public subscription period; and
- the public subscription period must be open for at least three stock exchange

days.

The Irreducible Allocation Right granted to the Existing Shareholders meets those requirements.

From a practical point of view, there is only a limited difference between the Irreducible Allocation Rights as stipulated in this Offer and legal preferential rights. The Offer's procedure is not really any different from the procedure that would apply if the Offer had taken place with legal preferential right as provided by the Belgian Companies Code. More specifically, the Irreducible Allocation Rights will be detached from the underlying Existing Shares and will be freely and separately tradable on the Euronext Brussels regulated market during the Subscription Period as is the case for issues with legal preferential rights. As an exception to the procedure that would have been applicable if the Offer had taken place with legal preferential right, the Subscription Period will only be 8 calendar days instead of 15 calendar days. The Company did not publish a notice in the Belgian Official Journal and the Belgian financial press to announce the term of the Subscription Period eight days before the start, which would be required in case of an issue with legal preferential right under Article 593 of the Belgian Companies Code.

The capital increase will take place to the extent that the New Shares are subscribed. The subscription to the New Shares may result from the exercise of Irreducible Allocation Rights or Scrips.

The capital increase decision also depends on the following conditions precedent:

- The approval of the Prospectus and the amendment to the Company's Articles of Association by the FSMA
- The signing of the Underwriting Agreement and no termination of this agreement by the implementation of one of its provisions (see item 6.4.3 below)
- The condition that Aloxe NV, Christian Teunissen and/or Frederik Snauwaert must not hold more than 30% of the Company's voting securities individually, jointly or by mutual consultation straight after the realisation of the capital increase.
- The confirmation of the admission to trade the Irreducible Allocation Rights and the New Shares on the Euronext Brussels regulated market after their detachment or issue.

The Company also has the opportunity to decide to withdraw or suspend the Offer in certain cases (see item 6.1.4 below).

6.1.2 Maximum amount for the Offer

The maximum amount for the Offer including the issue premium is EUR 134,011,078.00. No minimum amount was set for the Offer.

If the Offer is not fully subscribed, the Company reserves the right to realise the capital increase for a lower amount. The precise amount of New Shares issued after the Offer will be published in a press release.

6.1.3 Action to be taken to respond to the Offer

Subscription to the New Shares by exercising Irreducible Allocation Rights is possible during the entire Subscription Period from 31 May 2018 to 7 June 2018 according to the Timetable. The Subscription Period cannot be closed early.

During the subscription period, holders of Irreducible Allocation Rights can subscribe to New Shares according to the following ratio: 1 New Share for 2 Irreducible Allocation Rights.

The Irreducible Allocation Right is represented by coupon no. 6 attached to the Existing Shares. The Irreducible Allocation Right will be detached on 30 May 2018 after Euronext Brussels closes and can be traded during the entire Subscription Period on the Euronext Brussels regulated market.

Each Existing Shareholder of the Company has an Irreducible Allocation Right for each Share held at the end of the trading day of 30 May 2018. Shareholders holding registered Shares will receive a notification from the Company informing them of the number of Irreducible Allocation Rights they hold and the procedure to be followed to exercise or trade their Irreducible Allocation Rights. Shareholders holding Shares in a securities account are informed by their financial institution of the procedure to be followed to exercise or trade their Irreducible Allocation Rights.

Existing Shareholders who do not have the exact number of Irreducible Allocation Rights required to subscribe to a whole number of New Shares can either purchase the missing Irreducible Allocation Rights during the Subscription Period in order to subscribe to one or more additional New Shares, or sell the Irreducible Allocation Rights representing fractional shares, or keep them in order to offer them for sale as Scrips after the Subscription Period. Undivided subscriptions are not possible: the Company recognises only one owner per Share.

Investors who want to subscribe to the Offer can acquire Irreducible Allocation Rights during the entire Subscription Period by submitting a purchase order and subscription order to their financial institution.

Shareholders who have not exercised their Irreducible Allocation Rights at the end of the Subscription Period on 7 June 2018 will no longer be able to exercise those rights after this date.

Irreducible Allocation Rights that are not exercised will be represented by Scrips offered for sale by the Joint Bookrunners to Belgian and international investors by means of an exempt private placement in the form of an accelerated bookbuild (accelerated private placement with the composition of an order book).

The private placement of the Scrips will take place as soon as possible after the closing of the Subscription Period, in principle on 8 June 2018. On the date of the press release about the results of the subscription with Irreducible Allocation Rights planned on 8 June 2018, the Company will request the suspension of the Share's trading from the stock market opening until the moment the press release about the Offer's results is published.

The Scrips buyers will have to subscribe to the New Shares still available at the same price and in the same proportion as for the subscription implementing the Irreducible Allocation Rights.

The Scrips' sale price will be set based on the results of the bookbuild procedure in consultations between the Company and the Joint Bookrunners. The net proceeds from the sale of these Scrips after the deduction of all kinds of costs, expenses and liabilities incurred by the Company (the '**Excess Amount**') will be lodged in the Company's custody for the benefit of holders of coupon 6 who have not exercised or transferred the Irreducible Allocation Right during the Subscription Period, and will be paid to them on presentation of coupon no. 6, in principle from 15 June 2018. If the Excess Amount divided by the total number of non-exercised Irreducible Allocation Rights is less than EUR 0.01, it will not be paid to the holders of non-exercised Irreducible Allocation Rights but will instead be transferred to the Company. In principle, the Excess Amount will be published on 8 June 2018 in a press release.

6.1.4 Withdrawal and suspension of the Offer

The Company reserves the right to withdraw or suspend the Offer before, during or after the Subscription Period, if no Underwriting Agreement is signed or an event occurs that allows the Underwriters to terminate their commitment under the Underwriting Agreement, provided that the outcome of such an event is likely to have a significant negative impact on the success of the Offer or the trading of New Shares on the secondary markets (see also item 6.4.3 below).

Following the decision to withdraw the Offer, subscriptions to New Shares will automatically expire and have no effect. The Irreducible Allocation Rights (and Scrips as the case may be) will become null and void in this case. The investors will not receive any compensation in this case. There will be no compensation for the purchase price (and related costs and taxes) paid to buy the Irreducible Allocation Rights on the secondary market. Investors who bought such Irreducible

Allocation Rights on the secondary market will consequently suffer a loss, as trading in Irreducible Allocation Rights will not be cancelled when the Offer is withdrawn.

Should it be decided to withdraw, suspend or revoke the Offer, the Company will publish a supplement to the Prospectus.

6.1.5 Maximum amount for the subscription

The Offer has a maximum total amount of 134,011,078.00, so no more than 4,322,938 New Shares will be issued.

6.1.6 Subscription reduction

Subject to the withdrawal of the Offer, the subscription requests will be allocated entirely by exercising the Irreducible Allocation Rights. The Company does not have the opportunity to reduce these subscriptions. Consequently, no procedure has been organised to repay amounts that were overpaid by subscribers.

The Scrips will be allocated by the Joint Bookrunners in consultation with the Company (including allocation in case of oversubscription) and distributed among investors who have offered to acquire them in the context of the above-mentioned private placement based on criteria such as the nature and quality of the investor in question, the amount of the securities requested and the offered price.

6.1.7 Revocation of the subscription orders

The subscription orders cannot be revoked, except as provided in Article 34, Section 3 of the Law of 16 June 2006, which states that subscriptions can be revoked if a Supplement to the Prospectus is published within two working days of this publication, provided that a significant new development, a material error or an inaccuracy as referred to in Article 34, Section 1 of the Law of 16 June 2006 occurred before the final closing of the public offering or before the securities' delivery if this occurred after the Offer's closing date.

Any Irreducible Allocation Rights with a revoked subscription as described above will be presumed not to be exercised in connection with the Offer. Holders of such Irreducible Allocation Rights can consequently share in any Excess Amount of the Scrips' private placement. However, subscribers who revoke their order after the Scrips' private placement has ended will not be able to share in any Excess Amount of the Scrips' Private Placement and will therefore not be compensated in any other way. This also applies to the purchase price (and any related costs or taxes) paid to acquire any Irreducible Allocation Rights.

6.1.8 Payment and delivery of the New Shares

The investors must pay the Issue Price in full in Euros together with all other possible applicable stock market taxes and costs.

The subscriptions to New Shares following the exercise of Irreducible Allocation Rights or Scrips will be paid by debiting the subscribers' accounts on value date 12 June 2018. The Existing Shareholders will be informed of the subscription conditions and final payment date in a letter addressed to them in person.

The New Shares will be delivered in dematerialised form on or around 12 June 2018. New Shares issued based on Irreducible Allocation Rights associated with registered shares will be included as registered shares in the Company's shareholders' register on or around 12 June 2018.

6.1.9 Disclosure of the results

The result of the subscriptions to New Shares due to exercised Irreducible Allocation Rights will be announced in a press release on the Company website on 8 June 2018. On the date of the

press release, the Company will request suspension of the Share's trading from the stock market opening on 8 June 2018 until the moment the press release about the Offer's results is published.

The result of the subscriptions to New Shares due to the exercised Scrips and Excess Amount belonging to holders of Irreducible Allocation Rights that are not exercised will be announced in a press release on 8 June 2018.

6.1.10 Expected Offer Timetable

The Board of Directors' decision to increase the share capital	29 May 2018
Setting of the Issue Price / the subscription ratio / the Offer amount by the Board of Directors	29 May 2018
Approval of the Securities Note and Summary by the FSMA	29 May 2018
Press release announcing the Offer, the Offer's terms and the Offer's opening with Irreducible Allocation Right (before stock market opening)	30 May 2018
Detachment of coupon no. 6 to exercise the Irreducible Allocation Right (after stock market closing)	30 May 2018
Detachment of coupon no. 7, which represents the right to the proportional dividend for the current financial year 2018 until 11 June 2018 and will not be allocated to the New Shares (after stock exchange closing)	30 May 2018
Publication of the Prospectus on the Company website (before stock market opening)	31 May 2018
Opening date of the Offer with Irreducible Allocation Right	31 May 2018
Closing date of the Offer with Irreducible Allocation Right	7 June 2018
Press release about the results of the subscription with Irreducible Allocation Rights published on the Company website and suspension of the share's trading (at the Company's request) until the publication of the press release about the Offer's results	8 June 2018
Accelerated private placement of non-exercised Irreducible Allocation Rights in the form of Scrips	8 June 2018
Press release about the Offer's results and the amount payable to holders of non-exercised Irreducible Allocation Rights	8 June 2018
Payment of the subscribed New Shares with Irreducible Allocation Rights and Scrips (before stock market opening)	12 June 2018
Conclusion of the realisation of the capital increase (before stock market opening)	12 June 2018
Delivery of the New Shares to the subscribers	12 June 2018
Admission to trade the New Shares on the Euronext Brussels regulated market	12 June 2018
Press release about the share capital increase and the new denominator for transparency regulation purposes	12 June 2018
Payment of non-exercised Irreducible Allocation Rights (Excess Amount)	From 15 June 2018

The Company can adjust the dates and times of the capital increase and the period indicated in the above Timetable and in the Prospectus. In that case, the Company will communicate this to Euronext Brussels and will inform investors in a press release and on the Company website. The company will also publish a supplement to the Prospectus if legally required in accordance with item 6.1.7.

6.2. Plan for the marketing and allocation of New Shares

6.2.1 Categories of potential investors – Countries open to the Offer – Valid Offer

restrictions

6.2.1.1 Potential investors category

As the Offer is made with an irreducible allocation right, Irreducible Allocation Rights are granted to all Existing Shareholders.

The following may subscribe to the New Shares: (i) Existing Shareholders and holders of Irreducible Allocation Rights (ii) Persons who acquired Irreducible Allocation rights privately or on the Euronext Brussels regulated market (iii) Investors who acquired Scrips in the context of the private placement described below.

6.2.1.2 Countries the Offer will be open to

The Offer will only be open to the public in Belgium. Holders of Irreducible Allocation Rights can only exercise the Irreducible Allocation Rights and subscribe to the New Shares to the extent that they are legally permitted to do so under the applicable legal or regulatory provisions. The Company has taken all necessary action to allow the statutory exercise of the Irreducible Allocation Rights and the subscription to the New Shares associated with the Irreducible Allocation Rights by the public in Belgium. The Company has not taken any action to allow the Offer in jurisdictions outside Belgium.

As described above, the Irreducible Allocation Rights that have not been exercised at the end of the Subscription Period will be offered for sale to investors in the form of Scrips by the Joint Bookrunners in the context of an exempt private placement in an accelerated bookbuild procedure in Belgium, Switzerland and the European Economic Area based on Regulation S of the US Securities Act. Investors acquiring Scrips in this context will be irrevocably committed to exercise them and subscribe to the New Shares at the Issue Price.

6.2.2 Intention of the Company's Shareholders

Xior's main shareholder Aloxe NV has informed the Company that it intends to subscribe to the Offer for the maximum of 875,663 New Shares by exercising the Irreducible Allocation Rights associated with the Existing Shares it now owns. Beyond what is stated under item 6.2.3 of this Securities Note, the Company is not aware whether Existing Shareholders will or will not subscribe to the Offer.

6.2.3 Intentions of the members of the Board of Directors and the management team

All members of the management team and the Board of Directors holding Existing Shares in the Company have indicated that they will subscribe in full to the Offer in proportion to the Existing Shares they hold in person (for reference shareholder Aloxe NV we refer to item 6.2.2 of this Securities Note). See Chapter 6.1.3.3 of the Registration Document for the number of Shares owned in person by certain members of the Board of Directors and the management team.

6.2.4 Notification to the subscribers

As the Offer is made with irreducible allocation right, only holders of Irreducible Allocation Rights who have exercised their rights can be certain that they will receive the number of New Shares they subscribed to, subject to the Offer's completion. The Offer's results will be published in a press release on 8 June 2018.

6.3. Issue Price

The Issue Price is EUR 31.00 and was set by the Company in consultation with the Joint Bookrunners based on the Share's stock price on the Euronext Brussels regulated market and taking into account a discount generally granted for this type of transaction.

The Issue Price is 10.6% lower than the closing price of the Share on the Euronext Brussels regulated market on 29 May 2018 (which was EUR 35.20). It was adjusted to take into account the estimated value of coupon no. 7⁸, which was detached on 30 May 2018 (after stock market closing). This adjustment resulted in a closing price of EUR 34.67. Based on this closing price, the theoretical ex-rights price (TERP) is EUR 33.45, the theoretical value of an Irreducible Allocation Right EUR is 1.22 and the discount of the Issue Price versus TERP 7.3%.

Part of the Issue Price per New Share, which is the Shares' par value of EUR 18.00, will be allocated to the Company's share capital. The part of the Subscription Price exceeding the par value of the Shares, which is EUR 13.00, will be entered as the issue premium.

6.4. Placement and soft underwriting

6.4.1 Local offices

The subscription requests can be submitted directly and free of charge to the local offices of ING Belgium NV, Bank Degroof Petercam and Belfius Bank and/or via any other financial intermediary. The investors are invited to gain information on any costs these other financial intermediaries may charge.

6.4.2 Financial service

ING Belgium provides the financial service with respect to the Shares.

If the Company were to change its policy in this regard, this will be announced in a press release.

6.4.3 Underwriting Agreement

The Underwriters and the Company have committed to negotiate an agreement in good faith: the 'Underwriting Agreement', which will contain the contractual arrangements between them regarding the Offer. Such an agreement must only be entered into after the completion of the Scrips' private placement and before the Delivery Date in accordance with the current market practice. The Underwriters and the Company are therefore not currently obliged to conclude such an agreement, to subscribe to New Shares or to issue them.

If such an agreement is concluded between the Underwriters and the Company, it is expected to contain a certain number of elements and the following principles:

- the Underwriters will commit individually rather than jointly to subscribe to a number of New Shares based on the subscription by investors who exercised their Irreducible Allocation Rights during the Subscription Period and by investors who exercised the Scrips, with the exception of the offered New Shares Aloxe NV will subscribe to under its unconditional and irrevocable commitment as stated in paragraph 6.2.2 of this Securities Note.
- the objective of the subscription to the New Shares will be their immediate allocation to the relevant investors with guaranteed payment of the Issue Price of the New Shares by subscribing investors other than Aloxe NV who exercised their Irreducible Allocation Rights during the Subscription period and investors who exercised their Scrips, but had not yet paid on the date of the capital increase ('Soft Underwriting').

⁸ The board of directors estimates coupon 7 at EUR 0.53 per Share, which represents the gross dividend over the current bookyear 2018 till 11 June 2018. The estimate is subject to the results of 2018 and subject to approval of the ordinary shareholders meeting who will decide up or around 16 May 2019 about the dividend distribution with respect to accounting year 2018.

- the Underwriters' soft underwriting of the New Shares subscribed to by the above investors will follow certain proportions:

ING Belgium:	30%
Kempen & Co	30%
Bank Degroof Petercam	20%
Belfius Bank	20%
TOTAL:	100%

- the Company will have to make certain declarations, provide certain guarantees and indemnify the Underwriters against certain liabilities in the agreement;
- a provision must be included stating that every Joint Bookrunner is entitled to terminate the agreement between the signature date and the Delivery date – if possible after consulting the Company and the other Joint Bookrunners first – in case one or several of the following circumstances arise:
 - the Offer documents contain a statement that becomes or proves factually incorrect or misleading;
 - an event has taken place that makes the Offer documents factually incorrect or incomplete;
 - an event takes place that requires an additional publication under Belgian law (including a supplement or an amendment to the Prospectus or other Offer documents);
 - the Company has breached a declaration or guarantee of the agreement;
 - the Company has not observed an important aspect of its commitments under the agreement;
 - the Company fails to observe its commitments under the agreement on time;
 - one of the Underwriters fails to observe its commitments under the agreement;
 - a significant negative change has taken place or is likely to take place with regard to the (financial) situation, the goods, assets, rights, activities, management, (financial) forecast, income, sales or results of the Company and its perimeter companies (companies of which the Company directly or indirectly holds more than 25% of the share capital) after the agreement has been signed;
 - some or all of the conditions precedent that have been stipulated by the Underwriting Agreement and have not been waived by the Joint Bookrunners (including the submission of certain documents to the Joint Bookrunners, such as a letter by the FSMA and legal opinions) are not being met;
 - one of the following specific events took place or is likely to take place: (i) general stock trading on the Euronext Brussels regulated market is suspended or significantly restricted; (ii) the BEL 20 index falls by at least 10% compared to the closing price the day before the Underwriting Agreement was signed; (iii) a general suspension of commercial banking activities is announced by the competent authorities in Brussels or London or there is a significant interruption in the commercial banking activities or the securities settlement systems in Belgium; (iv) hostilities, terrorist acts or other emergencies or crises affecting Belgium, the United Kingdom or the United States of America arise or worsen, insofar as in the Joint Bookrunners' reasonable opinion, these events may significantly jeopardise the Offer or the trading of the Shares on the secondary market and (v) there is any type of material change in the political, military, financial, economic, monetary or social circumstances or the tax system in Belgium or elsewhere, insofar as in the Joint Bookrunners' reasonable opinion, these events may significantly jeopardise the Offer or the trading of the Shares on the Secondary Market;
 - Euronext Brussels rejects or revokes a request for the New Shares' admission to trading; or
 - on the Offer's completion, the Company does not issue the number of New Shares it committed to.

A supplement to the Prospectus will be published if the Underwriting Agreement is terminated before the Delivery Date or if no Underwriting Agreement is concluded with the Underwriters before the Delivery Date.

The Company will pay the Underwriters' fees. The Company agreed to pay back to the Underwriters certain expenses they incurred with respect to the Offer.

6.5. Standstill arrangements

The Underwriting Agreement is expected to state that the Company must not issue, sell or offer any Shares, warrants, convertible securities, options or other rights to the subscription or purchase of Shares for 90 calendar days from the date the New Shares are admitted to trading on the Euronext Brussels regulated market, except (i) the issue of the New Shares, (ii) in case of prior written consent by Sole Global Coordinator, which will not be unreasonably refused, (iii) to employees, consultants, directors or other service providers as part of the acquisition, incentive and compensation plan and (iv) with a view to the acquisition of real estate (or debt collection with respect to unpaid real estate acquisitions) by contribution in kind, mergers and/or (partial) de-mergers.

The Underwriting Agreement should also state that the Company must not purchase any Shares (or possible warrants, convertible securities, options or other rights to the subscription or purchase of Shares) on the stock market or reduce its capital for 90 calendar days from the date the New Shares are admitted to trading on the Euronext Brussels regulated market, unless the Sole Global Coordinator has given his or her prior written consent.

The Company's main shareholder Aloxe NV has committed to not selling the Company Shares it has on the date of the Offer's completion for a period of 90 calendar days starting from the authorisation to the trading of the New Shares.

The above ban on the disposal of the relevant Shares is not applicable in case of (i) a transfer of Shares to legal successors or legatees in the context of a natural person's death or in the event of dissolution, liquidation or concurrence (provided that the legal successor or legatee meets the provisions of the lock-up agreement and respects the relevant transfer restrictions and deadlines), (ii) a merger, full or partial de-merger, transfer or contribution of a business department or transfer of an estate contribution (provided that the legal successor meets the provisions of the lock-up agreement and respects the relevant transfer restrictions and deadlines), (iii) the transfer of Shares between the relevant (legal) person and one or more companies associated with this (legal) person (provided that the relevant associated companies meet the provisions of the lock-up agreement and respect the relevant transfer restrictions and deadlines and that the transferor and transferee agree that the Shares will return to the transferor as soon as the associated company ceases to be an associated company of the transferor), (iv) the acceptance of a public takeover bid or entry into a (conditional or non-conditional) irrevocable commitment before a public takeover bid is issued, (v) any transfer of Shares resulting from a court order or any other mandatory instruction under the applicable law, or (vi) any transfer of Shares in the context of a direct or indirect contribution of real estate to the Company by third parties.

6.6. Trading permission and trading conditions

6.6.1 Trading permission

The Irreducible Allocation Rights (coupon no. 6) will be detached after the stock exchange closes on 30 May 2018 and can be traded on the Euronext Brussels regulated market during the Subscription Period from 31 May 2018 to 7 June 2018.

The Existing Shares will therefore be traded ex coupon no. 6 and ex coupon no. 7 from 31 May 2018.

A request for the New Shares' admission to trading on the Euronext Brussels regulated market has been submitted.

The New Shares will be allocated ISIN code BE0974288202, which is the same code as the one used for the Existing Shares. The Irreducible Allocation Rights have ISIN code BE0970165685.

6.6.2 Place of listing

The Shares will be traded on the Euronext Brussels regulated market.

6.6.3 Liquidity contract

The company concluded a liquidity contract with Bank Degroof Petercam, which will provide the following services: financial analysis of the company and its stock market performance, presentation and distribution of its comments and decisions, monitoring of market fluctuations and if necessary intervention in market transactions both as a buyer and seller of the Company's securities to ensure sufficient liquidity under normal circumstances.

6.6.4 Stabilisation – Interventions on the market

The Underwriters will not engage in any stabilisation. A liquidity contract was concluded (see item 6.6.3 above).

6.7. Holders of Shares looking to sell their Shares

The Offer only concerns New Shares, so no Existing Shares will be offered for sale under the Offer.

6.8. Offer costs

If the Offer is fully subscribed, the Offer's gross proceeds Issue Price multiplied by the number of New Shares are EUR 134,011,078.00.

The Offer's net proceeds are estimated at EUR 131.1 million. The cost of the Company's Offer is estimated at approximately KEUR 2,866 and consists of the fees payable to the FSMA and Euronext Brussels, the Underwriters' fees, the translation cost, the cost of providing the Prospectus, legal and administrative expenses and publication costs.

The Underwriters' fee has been set at approximately EUR 2.3 million in case of a full subscription to the Offer including a possible discretionary fee.

6.9. Dilution

6.9.1 The Offer's impact on the net asset value

The Issue Price is higher than the Share's net asset value on 31 March 2018, which was EUR 28.15 (not taking into account the effect of the detachment of coupon no. 7) and EUR 26.42 on a pro-forma basis on 31 March 2018 (taking into account the effect of the detachment of coupon 7).

Based on the assumption that 4,322,938 New Shares are issued, the net asset value per Share would change from EUR 28.15 to EUR 28.25 (not taking into account the effect of the detachment of coupon no. 7) on 31 March 2018, or from EUR 26.42 to EUR 27.89 (taking into account the effect of the detachment of coupon no. 7) on 31 March 2018 on a pro-forma basis.

6.9.2 The Offer's impact on the situation of the Existing Shareholder who subscribes to the Offer by exercising all his Irreducible Allocation Rights

Existing Shareholders exercising all their Irreducible Allocation Rights will not be subject to any dilution of their voting rights and dividend rights.

6.9.3 The Offer's impact on the situation of the Existing Shareholder who does not subscribe to the Offer by exercising all his Irreducible Allocation Rights

Existing Shareholders who decide not to exercise (some of) the Irreducible Allocation Rights granted to them:

- Will be subject to future dilution of voting rights and dividend rights with regard to the financial year 2018 and following financial years in the proportions described below.
- will be exposed to a financial dilution risk with respect to their participation. This risk results from the fact that the Offer is executed at an Issue Price lower than the current stock market price. In theory, the value of the Irreducible Allocation Rights granted to the Existing Shareholders should compensate for the financial value reduction resulting from the dilution compared to the current stock market price. Existing Shareholders will therefore experience a value loss if they fail to transfer their Irreducible Allocation Rights at their theoretical value (or if the Scrips' sale price does not result in payment of an amount equal to this theoretical value for non-exercised Irreducible Allocation Rights).

The effects of the issue on the capital participation of an Existing Shareholder who holds 1% of the Company's authorised capital before the issue and is not subscribing to the Offer are provided below.

The calculation is based on the number of Existing Shares and the estimated number of New Shares of 4,322,938, taking into account the Offer's maximum amount of EUR 134,011,078.00 and the Issue Price of EUR 31.00.

	Equity participation
Before the issue of the New Shares	1%
After the issue of the New Shares	0.67%

6.9.4 Shareholding after the Offer⁹

	Before the capital increase	After the capital increase
Aloxe NV – Christian Teunissen & Frederik Snauwaert	20.33% ¹⁰	20.33%
Free float ¹¹	79.67%	79.67 %
Total	100%	100%

7. RECENT COMPANY DEVELOPMENTS AND TRENDS

7.1. Recent developments after the close of the financial year 2017

⁹ This table assumes that the Offer is fully subscribed to, Aloxe NV fully exercises its Irreducible Allocation Rights and the Offer was prepared based on the information available to the Company.

¹⁰. Transparency notice of 17 October 2016 (1,255,332 shares) and public changes made since then

¹¹ This includes the participation of Axa Investment Managers S.A., which holds a 5.19% stake based on a transparency declaration on 21 December 2016 and the denominator on 21 December 2016 (5,270,501). The Company has not received an additional transparency declaration from AXA Investment Managers S.A. since 21 December 2016.

7.1.1 Key events in the first quarter of 2018 (until 31 March 2018)

For an overview of key events during the first quarter of 2018, the Company refers to the Board of Directors' interim statement for the first quarter of the financial year 2018 (ended 31 March 2018) announced on 4 May 2018 and published on the Company website (www.xior.be).

7.1.2 After the closing of the first quarter of 2018 (after 31 March 2018)

For an overview of key events after the closing of the first quarter of 2018, the Company refers to the Board of Directors' interim statement for the first quarter of the financial year 2018 (ended 31 March 2018) announced on 4 May 2018 and according to the press release of 30 May 2018 ("Xior announces new investment opportunities for approximately EUR 129 million. Capital increase of approximately EUR 134 million to finance growth strategy"), available on the Company website (www.xior.be).

The property at Tiensestraat 274 / Windmolenveldstraat 2-4, 3000 Leuven, was also acquired from Christian Teunissen. This building is located in a prime location in the student city of Leuven. The building has 17 student rooms and 4 apartments. The purchase price was EUR 1,869,000 and corresponds to the independent expert's valuation. This project had already been announced in the context of the Company's IPO, but was not contributed at the time as the permit was not yet available. At the time of the IPO, it was therefore not yet considered appropriate to add this project to the initial real estate portfolio. When the permit was granted, the property could be added to the portfolio and was transferred to the Company. At the time of the IPO, Christian Teunissen had also undertaken to offer the project for its current Fair Value (as determined by the Company's valuation expert).

7.1.3 Planned additional investments

Before the Offer's publication, the Company announced additional (potential) investments and development projects for a total amount of approximately EUR 215 million:

- Additional investment projects in 2018: EUR 163 million:
 - o *Joint venture for a development project in Brussels (Zaventem)*

On 29 November 2017, Xior signed an agreement on the redevelopment of an office complex to be converted on the outskirts of Brussels (Zaventem) close to various educational institutions (Université Catholique de Louvain, Ecam, Vinci, Ephec), Saint Luc University Hospital and various research institutions (such as the Duvé Institute). The redevelopment will be based on a joint venture with a private developer, with which Xior has collaborated in the past. This will allow Xior to strengthen its position in the Brussels region, where there is still a great demand for new, quality student housing. The total investment value (after reconversion) will be approximately EUR 36 million and the project has an expected average initial return of approximately 6.3%. Xior's participation in the joint venture is subject to certain conditions, one of which is that a permit is obtained. The office building will then be converted into a complex of over 300 units (studios / student flat hotel) based on a design by architectural firm Jaspers-Eyers. Retail activities (such as a neighbourhood supermarket, a sushi bar, a laundry service and a trendy restaurant) are planned for the ground floor. A third-party investor will redevelop these together with the underground car park. This student property is expected to be operational for the academic year starting in September 2019. Xior was also granted a two-year rental guarantee on 50% of the offer for operating the student hotel and also received a partial one-year rental guarantee for the student units.

- o *Bonnefanten College redevelopment project in Maastricht*

On 13 April 2018, the Company signed a Purchase Agreement for the acquisition of Bonnefanten College, for which the current owner already obtained an environmental

permit. This former monastery is a registered national monument and will be redeveloped into 257 independent student rooms and common areas. The property is located at Tongerseweg 135, near Xior's other student accommodation monument in Maastricht, the Carré building. The total investment value (after reconversion) will be approximately EUR 34 million and the project has an expected average initial return of approximately 6.25%. With the acquisition of Bonnefanten College, Xior is adding another character property to its portfolio in order to offer additional quality student housing in the centre of the (international) student city of Maastricht near various educational institutions. The building will be delivered during the second half of June, provided that the granted environmental permit for the building's redevelopment becomes final and the municipality of Maastricht grants its formal approval. The Company expects to start using the building in September 2019.

- Xior has a purchase option (until 6 July 2018) on the shares of the relevant real estate companies owning two sites on Karspeldreef in Amsterdam and Rotsoord in Utrecht, respectively. These sites will be (re)developed in order to offer a total of 545 self-contained units (339 in Amsterdam and 206 in Utrecht). If the Company exercises these purchase options (subject to a final environmental permit as the case may be), it can strengthen its position in two top-3 student cities in the Netherlands where demand for quality student accommodation is still very high. The total investment value will be approximately EUR 93 million.

In order to expand its property portfolio, the Company strives towards balanced financing with both loans and equity, by means of contributions in kind, for example. (Reference can be made to the Company's past merger and contribution transactions here.) The Company could also consider the full or partial application of this financing technique for determined for the above acquisitions based on the contribution option it receives for the acquisitions concerned.

- Planned expenditure for the (re)development of buildings in the portfolio: approximately EUR 51.10 million, of which:
 - approximately EUR 15.90 million in 2018 and
 - approximately EUR 35.20 million in and possibly after 2019

If all acquisitions and redevelopment projects currently in the pipeline are implemented, the portfolio figure will rise to approximately EUR 753 million with 6,672 units.

7.2. Trends and forecast

7.2.1 Trends

For the main trends that have affected the Company since the beginning of the financial year 2018 and may reasonably have a significant impact on the Company's forecast, reference is made to the Risk Factors included under item 1 of this Securities Note and to the description of the real estate market under Chapter 8.1 of the Registration Document for the sake of completeness.

7.2.2 Company forecast for the financial year 2018

The Board of Directors prepared the following forecast for the purpose of updating the budget for the financial year 2018, taking into account the Offer and the operational trends identified so far (see item 7.2.1 above) and using a basis comparable to the historical financial information.

The main economic trends that can affect the Company's forecast are:

- the evolution of the Belgian and Dutch property market, particularly the student housing market, which is undergoing further consolidation and professionalization;

- the increasing supply of student rooms due to new property development;
- future demand for student rooms, which is affected by factors such as the number of 18-to-25-year-olds, the number of higher education enrolments, better access to higher education for all, the quality of education, the number of foreign students in European and international exchange programmes, the enrolment fee, possible financial government support and students' preference to live at home or in student accommodation. Some of these developments may have an impact on the rental income or the valuation of the portfolio as determined by the valuation expert;
- the local and regional legislation imposing a number of health, safety and living standards in addition to the rules enforced by rent legislation;
- the evolution of the interest rates and bank margins;
- the impact of certain political events, such as national election results and international relations between members states bilaterally and with respect to the EU.

7.2.2.1 Hypotheses

Used accounting methods

The used accounting basis for this forecast is consistent with the accounting methods used by Xior in preparation of its consolidated accounts on 31 December 2017 in accordance with the IFRS as implemented by the European Union and the Royal Decree on Regulated Real Estate Companies.

Hypotheses with regard to elements that cannot be impacted by Xior directly

- The calculation of the evolution of rental income did not take into account inflation;
- It was assumed that the payable interest rates for external financing (including the bank margin) would remain unchanged. They have therefore been included at the current credit terms, taking into account the cost of hedging via Interest Rate Swaps;
- The property tax was based on historic figures (if available) or management estimates using similar buildings. The property tax may be affected by changes in the law. Property tax on retail spaces is fully charged to the tenant, unlike property tax on student housing, which cannot be charged to the tenants and is fully charged to the RREC's result;
- The listing expenses (such as the 'subscription tax', the fee for Euronext Brussels NV and FSMA expenses) are estimated based on the going market rates, which the RREC does not control;
- Although the profit forecast already includes a certain amount covering expected building maintenance and renovation expenses, there is a chance that unexpected maintenance and renovation expenses are required;
- The net rental income may be affected if a significant number of tenants fail to pay their rent or if the planned occupancy level is not achieved;
- Financial hedging instruments (IRSs) are valued at market value in accordance with IFRS (IAS 39). Given the volatility of the international financial markets, changes in these market values were not taken into account. These changes are also irrelevant to the forecast in terms of the EPRA earnings, on which dividend payment is based;
- The investment property is valued at the Fair Value in accordance with IFRS (IAS 40). However, no predictions are made in terms of any changes in the Fair Value of the real estate property, as these would be unreliable and subject to a number of external factors beyond the Company's control. These changes are also irrelevant to the forecast in terms of the EPRA earnings, on which dividend payment is based; and
- The forecast can also be affected by market and operational, financial and regulatory risks as described in Chapter 1 of this Securities Note.

Hypotheses with regard to elements that can be impacted by Xior directly

Net rental result:

- This result was estimated based on the current contracts and taking into account the estimated rental income of the 2018 investment programme currently in progress;
- If the Company received a rental guarantee upon acquisition of the property, it was included in the calculation of the result.

Other operating income and expenses:

- This entry contains income from property management for third parties.

Property charges:

- These expenses mainly include the costs of maintenance and repairs, insurance, taxes, publicity, property management, valuation experts and property tax that cannot be charged to students. For 2018, they were estimated based on the current portfolio and the expected investments.

Overheads:

- Overheads include the Company's internal operating expenses, which are management fees, director fees, costs of the administrative personnel, liability insurance expenses, office expenses, depreciation and installation costs. They also include contractual rent owed to the registered office in Antwerp;
- They also include the estimated expenses for external consultants, solicitors, tax experts, accounting and IT and the Statutory Auditor's fee;
- For a listed company, the overheads also include the annual taxes for the RREC, fees owed to the financial agent and liquidity provider, Euronext Brussels listing fees, expenses with regard to the prudential monitoring of RRECs and the budget for financial communication.

Interest charges:

- The estimate of the interest charges is based on the evolution of the financial debt starting from the current situation on 31 December 2017 and an estimate of the additional debt to finance the investment programme implemented in 2018.

Taxes:

- The taxes include the annual company tax. The tax base in Belgium is almost zero thanks to the fiscal transparency enjoyed by the Company. The payable corporate tax mainly involves the income of the Dutch permanent establishment.

7.2.2.2 Remarks on the forecast

The Board of Directors continues to monitor the evolution of the economic and financial context and the possible effect on the Group's operations with great interest.

In the current economic climate, the Company's main assets are:

- The Company's strategic focus on student real estate in Belgium and the Netherlands allows the Company to adjust to market opportunities.
- The external financing of the real estate portfolio (including current property developments) is insured by lines of credit of EUR 395 million, none of which will expire before Q4 2020. The amounts drawn down on the lines of credit are currently largely (73.9%) covered by hedging instruments. On the date of the Securities Note, there is still EUR 66 million available in lines of credit currently not yet drawn down.
- The Company's solvency is good, with a consolidated debt ratio of 51.69^{12%} on 31 March 2018 (under the legal minimum of 65% imposed on RRECs and under the contractual

¹² Taking into account the acquisitions made after 31 March 2018, the pro-forma debt ratio amounts to 57.50% on the date of the Securities Note. This pro-forma calculation based on the debt ratio of 31 March 2018 only takes into account the acquisitions completed after 31 March 2018 (Amsterdam Naritaweg, Leuven Tiensestraat 274 / Windmolenveldstraat 2-4 and Brussels Woodskot) (see Chapter 7.1.2 of this Securities Note), and the dividend payment of 22 May 2018. It does not take into account any evolutions in working capital requirements, planned other (dis)investment, operating results and property portfolio valuations that may affect the Company's total assets and debt position and therefore also its debt ratio.

maximum of 60% included in the credit agreements with the banks).

Based on the current outlook and the above assumptions, the Company confirms it expects its EPRA earnings per share for the financial year 2018 to remain at least stable compared with 2017 at EUR 1.43 per share. with a gross dividend of EUR 1.20 per Share, always subject to approval at the general meeting. Xior expects to at least repeat the results of the previous year in 2017, after the number of shares increased by 54% after the successful capital increase of June 2017 and then increased again by 6.4% as a result of the contribution in kind caused by the receivables resulting from the acquisition of the student building located in Enschede, the Netherlands, and the (hypothetical) successful completion of the proposed capital increase of 50%. The New Shares will be proportionately included in the result of the financial year 2018 from the date of issue. The New Shares will therefore be issued with coupon no. 8 and following. Coupon no. 8 – or one of the following coupons as the case may be – represents the right to receive the proportionate part of the dividend for the current financial year 2018 from 12 June 2018. Reference is also made to Chapter 5.3.2 of this Securities Note.

The proposed gross dividend of EUR 1.20 per share remains unchanged in view of the profit forecast included in the Registration Document (Chapter 7.1.5). However, the underlying assumptions regarding the composition of the real estate portfolio, the number of shares and the debt ratio have changed in accordance with the content of this Securities Note.

7.2.2.3 Statutory Auditor's report on the consolidated financial forecast

'Upon your request and in accordance with EC Regulation 809/2004 Annex I, article 13.2 we prepared this report on the prospective financial information for Xior Student Housing NV ('the Company'), included in Chapter 7.2, Section 7.2.2 of the Securities Note ('the annual financial report') (hereafter 'the Securities Note').'

Responsibilities of the Board of Directors

In accordance with EC Regulation 809/2004, the Board of Directors is responsible for the preparation of the prospective financial information and the determination of estimates and relevant assumptions on which this prospective financial information is based. Aforementioned prospective financial information as well as hypotheses and assumptions were included in Chapter 7.2, Paragraph 7.2.2 of the Securities Note (the 'criteria').

Responsibilities of the statutory auditor

The statutory auditor is responsible for the expression of an opinion on whether the prospective financial information prepared by the Board of Directors, has been prepared in all material respects, on the basis of appropriate criteria identified.

For the projection for the financial year ending 31 December 2018, we investigated the Company's forward-looking financial information as well as the estimates and relevant underlying assumptions on which this forward-looking financial information is based, as included in Chapter 7.2 of the Securities Note.

We conducted our engagement in accordance with the 'International Standard on Assurance Engagements, as applicable in the analysis of prospective financial information' (ISAE 3400). The purpose of such engagement is to obtain a limited degree of certainty that the assurance risk is reduced to an acceptable level to serve as a basis for a conclusion, expressed in the negative form, on the prospective financial information, and more specifically on whether anything has come to our attention which leads us to believe that the prospective financial information is not been compiled in accordance with the appropriate criteria as set out in Sections 7.2.2 of the Securities Note.

As for the forward-looking information, we have performed our work in order to obtain sufficient appropriate evidence to determine whether the assumptions are not unreasonable, using appropriate accounting principles.

Conclusion

On the basis of our investigation, nothing has come to our attention that would lead us to believe that the estimates and underlying assumptions are no reasonable basis for the preparation of the prospective financial information.

Furthermore, we believe that the prospective financial information is prepared adequately, on the basis of relevant estimates and underlying assumptions, in accordance with EC Regulation no. 809/2004 and using appropriate accounting principles.

The reality will most likely differ from the prospective financial information, since anticipated events usually do not take place as expected and the deviations could be of material importance.

Due to the fact that the activities described above are not an audit nor a review in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not provide any assurance on the prospective financial information. If we would have performed additional work, other matters might have come to our attention, which we would have brought to your attention.

This report was prepared and added to the Registration Document pursuant to and in accordance with Article 13.2. Annex I of the EC Regulation no. 809/2004 and may not be used for any other purpose. The report should necessarily be read in conjunction with the Securities Note.

Sint-Stevens-Woluwe, 29 May 2018

*PwC Bedrijfsrevisoren bvba
The Statutory Auditor of Xior Student Housing NV
Represented by*

*Damien Walgrave
Statutory Auditor*

8. DEFINITION OF KEY TERMS

Offer	This public offering for subscription to New Shares in the context of a Company capital increase in cash and an exempt private placement of the Scrips in the form of an accelerated bookbuild (an accelerated private placement with the composition of an order book) executed in Belgium, Switzerland and the European Economic Area based on Regulation S of the US Securities Act.
Shareholders	The holders of Shares issued by the Company.
Shares	The shares that represent the capital with voting rights and with no par value issued by the Company.
Bank Degroof Petercam	Bank Degroof Petercam, a public limited company under Belgian law with its registered office at Rue de l'Industrie / Nijverheidsstraat 44, 1040 Brussels, entered in the Crossroads Bank for Enterprises under enterprise number VAT BE 0403.212.172 (Brussels Register of Legal Entities).
Belfius Bank	Belfius Bank, a public limited company under Belgian law, with registered office at Avenue Pachéco/Pachecolaan 44, 1000 Brussels and entered in the Crossroads Bank for

	Enterprises under enterprise number VAT BE 0403.201.185 (Brussels Register of Legal Entities).
Existing Shareholders	These are the holders of the Existing Shares.
Existing Shares	The 8,645,877 Shares that already existed before the New Shares were issued.
Statutory Auditor	PwC Bedrijfsrevisoren / Reviseurs d'Entreprises, a civil cooperative company with limited liability under Belgian law with its registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, with company number 0429.501.944 (Brussels Register of Legal Entities) registered with the Institute of Statutory Auditors and represented by Statutory Auditor Damien Walgrave.
Excess Amount	The net proceeds from the sale of the Scrips after deduction of costs, expenses and charges of any kind incurred by the Company mentioned under item 6.1.3.
FSMA	Financial Services and Markets Authority.
RREC	Regulated real estate company under Belgian law governed by the Law of 12 May 2014 and the Royal Decree of 13 July 2014.
Royal Decree on Regulated Real Estate Companies	The Belgian Royal Decree of 13 July 2014 regarding regulated real estate companies, as amended from time to time.
Law on Regulated Real Estate Companies	The Belgian Law of 12 May 2014 on regulated real estate companies as amended from time to time, particularly by the Law of 22 October 2017 amending the Law on Regulated Real Estate Companies.
Legislation on Regulated Real Estate Companies	The Law on Regulated Real Estate Companies and the Royal Decree on Regulated Real Estate Companies.
ING Belgium	ING Belgium, a public limited company under Belgian law, with its registered office at Avenue Marnix/Marnixlaan 24, 1000 Brussels, entered in the Crossroads Bank for Enterprises under enterprise number VAT BE 0403.200.393 (Brussels Register of Legal Entities).
Subscription period	The period when the subscription to the New Shares is reserved for Holders of Irreducible Allocation Rights, which is from 31 May 2018 to 7 June 2018 according to the Timetable.
Joint Bookrunners	ING Belgium and Kempen & Co, Bank Degroof Petercam and Belfius Bank
Kempen & Co	Kempen & Co NV, a public limited company under Dutch law with its registered office at Beethovenstraat 300, 1077 WZ Amsterdam, the Netherlands and entered in the Chamber of Commerce Trade Register under number 34186722.

Royal Decree of 14 November 2007	Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.
Delivery Date	Date of payment of the New Shares and the date the New Shares are issued, which is 12 June 2018 according to the Timetable.
New Shares	The Shares issued in the context of the Offer.
Irreducible Allocation Rights	The irreducible allocation rights (in the sense of Article 26, Section 1 of the Law on Regulated Real Estate Companies) associated with the Existing Shares in the context of a capital increase in cash lifting the statutory preferential right by a RREC in proportion to the part of the capital represented by those Existing Shares: 2 Existing Shares entitle holders to 2 Irreducible Allocation Rights represented by coupon no. 6 and therefore entitle them to subscribe to 1 New Shares in the context of the Offer.
Public RREC	Public regulated real estate company under Belgian law.
Opening date of the Offer	The first day holders of Irreducible Allocation Rights can submit subscription orders for the New Shares, which is 31 May 2018 according to the Timetable.
Promoter	The person(s) who exclusively or jointly control(s) a public RREC within the meaning of the Law on Regulated Real Estate Companies. The persons acting as promoters at the time of the authorisation of the public RREC will no longer be seen as promoters in the sense of the Law on Regulated Real Estate Companies three years after the authorisation of the public RREC at the earliest under certain conditions. The persons considered as Company Promoters on the Date of this Securities Note are Aloxe NV and Company CEO Christian Teunissen, who has exclusive control over Aloxe NV.
Prospectus	The prospectus drawn up in view of the Offer and the admission of the New Shares and the Irreducible Allocation Rights to trading on the Euronext Brussels regulated market, consisting of the Registration Document (including all information incorporated by reference), the Securities Note (including all information incorporated by reference) and the Summary in accordance with Article 28 of the Law of 16 June 2006.
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended by directive 2010/73/EU of the European Parliament and the Council of 24 November 2010.
Registration Document	The Company's annual financial report for 2017 approved by the FSMA on 10 April 2018 as the registration document in accordance with Chapter 2 of Commission Regulation

	(EC) no. 809/2004 of 29 April 2004 implementing the Prospectus Directive.
Summary	The Prospectus summary approved by the FSMA on 29 May 2018.
Scripts	The Irreducible Allocation Rights that are not exercised during the Subscription Period and that will be offered for sale by the Joint Bookrunners to investors in the context of an exempt private placement.
Sole Global Coordinator	ING Belgium.
Timetable	The indicative timetable for the Offer, which is described under item 6.1.10 and can be adjusted in case of unforeseen circumstances.
Issue Price	The price of every offered New Share applicable to all private and institutional investors, which is EUR 31.00.
Underwriters	The Joint Bookrunners
Underwriting Agreement	The agreement that will be closed between the Company and the Joint Bookrunners, described under item 6.4.3.
US Securities Act	The US Securities Act of 1933 (as amended from time to time).
Company	Xior, a public limited company under Belgian law and Public RREC with its registered office at Mechelsesteenweg 34 Box 108, 2018 Antwerp, Belgium and entered in the Antwerp Register of Legal Entities under number 0547.972.794.
Securities Note	This document, which was drawn up in accordance with Article 28 of the Law of 16 June 2006 for the purpose of this Offer and the admission of the New Shares and the Irreducible Allocation Rights to the Euronext Brussels regulated market for trading and which was approved by the FSMA on 29 May 2018.
Law of 16 June 2006	The law of 16 June 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market.
Belgian Law of 2 May 2007	The Law of 2 May 2007 on the disclosure of significant stakes in issuers whose shares are admitted to trading on a regulated market, which contains various provisions.
Xior	The Company.

THE COMPANY

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 Public RREC under Belgian law
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