**Xior Student Housing 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 division)
("**Xior Student Housing**" or "**Xior**" or the "**Company**")

# PROSPECTUS FOR THE PUBLIC OFFERING FOR SUBSCRIPTION TO UP TO 4,209,288 NEW SHARES IN THE CONTEXT OF A CAPITAL INCREASE IN CASH WITHIN THE AUTHORISED CAPITAL WITH PRIORITY ALLOCATION RIGHTS FOR UP TO EUR 178,894,740.00

**THE OFFER CONSISTS OF (I) A PUBLIC OFFERING FOR SUBSCRIPTION TO NEW SHARES IN BELGIUM, FOLLOWED BY (II) AN EXEMPT PRIVATE PLACEMENT OF SCRIPS WITH BELGIAN AND INTERNATIONAL INSTITUTIONAL INVESTORS IN AN ACCELERATED BOOKBUILD OFFERING IN THE EEA, THE UNITED KINGDOM AND SWITZERLAND IN ACCORDANCE WITH REGULATION S UNDER THE US SECURITIES ACT**

**APPLICATION FOR ADMISSION TO TRADING (I) THE NEW SHARES FROM THEIR ISSUE DATE AND (II) THE PRIORITY ALLOCATION RIGHTS FOR THE SUBSCRIPTION PERIOD ON THE EURONEXT BRUSSELS REGULATED MARKET**

| | |
|---|---|
| Issue Price | EUR 42.50 |
| Subscription Ratio | 1 New Share for 5 coupons no. 18 |
| New Shares | Maximum 4,209,288 |
| Subscription Period | From 25 February 2021 up to and including 4 March 2021 |
| Listing and trading Priority Allocation Rights | During the Subscription Period – Priority Allocation Rights that were either not exercised or exercised in an invalid way are converted into an equal number of Scrips |
| Exempt Private Placement of Scrips | 5 March 2021 |

**WARNING**: Investing in Shares, trading in Priority Allocation Rights and/or acquiring Scrips involves considerable risks. Investors are invited to read the full Prospectus – in particular the risk factors described in Chapter 2 "Risk Factors" of this Prospectus and Sections B3 and C3 of the Summary (p. 2-3 and 4-5), before investing in the New Shares, trading in the Priority Allocation Rights or acquiring the Scrips. Any decision to invest in the New Shares, trade in the Priority Allocation Rights or acquire the Scrips in the context of the Offer must be based on all the information provided in this Prospectus. Potential investors must be capable of bearing the economic risk of investing in the Shares, trading in the Priority Allocation Rights or acquiring the Scrips, and of suffering the full or partial loss of their investment. This Prospectus is valid until 24 February 2022. If any significant new factor, material error or material inaccuracy possibly affecting the assessment of the New Shares happens or is observed between the date of this Prospectus' approval and the closing date of the Subscription Period or as the case may be the start of the Shares' trading on the Euronext Brussels regulated market if this happens after the end of the Subscription Period, this must be mentioned in a supplement to this Prospectus. The obligation to supplement a prospectus in the event of significant new factors, material errors or material inaccuracies does not apply when a prospectus is no longer valid.

**JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS**

Belfius ING

**JOINT BOOKRUNNERS**

BNP PARIBAS FORTIS KBC Securities ABN·AMRO Bank

Prospectus of 24 February 2021

*This Prospectus (including all information it incorporates by reference) concerns: (i) the public offering for subscription to up to 4,209,288 new shares (the "**New Shares**") in Belgium in the context of a capital increase in cash within the authorised capital, granting priority allocation rights (the "**Priority Allocation Rights**") to the Company's Existing Shareholders and terminating these shareholders' statutory pre-emptive rights (the "**Public Offering**"), followed by (ii) an exempt private placement in the form of an accelerated bookbuild offering carried out in the European Economic Area, the United Kingdom and Switzerland in accordance with Regulation S under the US Securities Act of 1933, as amended (the **US Securities Act**), whereby the Underwriters offer the following to Belgian and international institutional investors: (a) Priority Allocation Rights that were not exercised on the closing date of the Subscription Period and (b) registered Priority Allocation Rights (x) for which a correctly completed subscription form or dematerialisation request was not received on time, (y) which have not been sold in the name of the Company and for the account of the relevant registered shareholder by ING Belgium SA/NV (despite the instructions on the subscription form), or (z) for which the total Issue Price was not paid on time (and which are therefore regarded as non-exercised Priority Allocation Rights), which will automatically be converted into an equal number of scrips (the "**Scrips**") (the "**Private Placement of Scrips**" and together with the Public Offering, the "**Offer**") and (iii) the admission of the New Shares and the Priority Allocation Rights to trading on the Euronext Brussels regulated market.*

*This Prospectus (including the Summary) has been prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**") regarding the information to be provided in the prospectus, the prospectus' format, the information included by reference, the prospectus' publication and the release of advertising and its Delegated Regulations. More specifically, this Prospectus has been drawn up in accordance with Annex 3 and Annex 12 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended ("**Delegated Regulation 2019/980**"), and the essential financial information has been included in the Summary prepared in accordance with Annex 1 of Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, as amended ("**Delegated Regulation 2019/979**" and together with Delegated Regulation 2019/980 the "**Delegated Regulations**"). This Prospectus has therefore been prepared as a simplified prospectus in accordance with Article 14 and Article 6(3) of the Prospectus Regulation.*

*The Belgian Financial Services and Markets Authority (FSMA) approved the Dutch version of this Prospectus (including the Summary) on 24 February 2021 in accordance with Article 20 of the Prospectus Regulation. Approval by the FSMA must not be interpreted as an approval of the issuer nor as an approval of the quality of the securities to which this Prospectus relates. Investors should decide for themselves whether it is appropriate to invest in the securities.*

*The Summary may be distributed separately from this Prospectus. This Prospectus is available in Dutch and English. The Summary is also available in French. The English version of this Prospectus is a translation of the Dutch version of this Prospectus and the Company accepts responsibility for this. The Company is responsible for the consistency of the English translation of this Prospectus with the approved Dutch version of this Prospectus and for the consistency of the English and French versions of the Summary with the approved Dutch version and will ensure that the translated versions are accurate translations of the language versions approved by the FSMA. In case of any inconsistency between: (i) the Dutch version of the Summary and the French and English versions of the Summary; or (ii) the Dutch version of this Prospectus and the English version of this Prospectus, the FSMA-approved Dutch version will take precedence over the other language versions, without prejudice to the Company's responsibility for the translation of this Prospectus. If there is any discrepancy between this Prospectus and the Summary, this Prospectus will take precedence over the Summary.*

*The Prospectus will be made available to investors free of charge from 25 February 2021 (before* *the start of trading) at the Company's registered office at Mechelsesteenweg 34, Box 108, 2018 Antwerp, Belgium. The Prospectus will also be available to investors free of charge at (i) Belfius Bank, upon request by phone on +32 (0)2 222 12 02 (NL) or +32 (0)2 222 12 01 (FR) and on its website www.belfius.be/xior2021 (NL and FR), (ii) 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), (iii) BNP Paribas Fortis, upon request by phone on +32 (0)2 433 41 13 and on its websites www.bnpparibasfortis.be/sparenenbeleggen (NL) and www.bnpparibasfortis.be/epargneretplacer (FR), and (iv) KBC Securities, upon request by phone on +32 (0)7 815 21 53 (NL), +32 (0)7 815 21 54 (FR) or +32 (0)7 835 31 37 (EN) and on its website www.kbc.be/xior (NL, FR and EN). From 25 February 2021 (before the start of trading), this Prospectus can also be consulted on the Company website (www.xior.be/capitalincrease). Access to the above websites is always subject to the usual restrictions.*

*This Prospectus and the Summary are not an offer to sell Shares (including the New Shares), Priority Allocation Rights or Scrips and are not a request to submit an offer to buy New Shares or Priority Allocation Rights in any jurisdiction where it is unlawful to do so or to any person to whom it is unlawful to do so. The distribution of this Prospectus or the Summary outside Belgium may be restricted by law in certain jurisdictions. Persons in possession of this Prospectus or the Summary must therefore gain information on such restrictions and comply with them. Failure to comply with such restrictions may constitute a violation of the securities legislation or regulations of such jurisdictions. In particular, this Prospectus and Summary must not be distributed, forwarded to or transferred to the United States, Japan, Canada, Australia or South Africa subject to certain exceptions. Shareholders with a registered address, resident or based in jurisdictions other than Belgium and any persons (including without any limitation agents, custodians, appointees and trustees) who are contractually or legally obliged to forward this Prospectus or the Summary to a jurisdiction outside Belgium must comply with Chapters 3.4 and 4.9 of this Prospectus.*

*The New Shares, Priority Allocation Rights and Scrips have not been and will not be registered under the US Securities Act or with any other regulatory authority for securities of any state or any other jurisdiction in the United States. Accordingly, the New Shares, Priority Allocation Rights and Scrips may not be offered or sold in the United States without prior registration under the US Securities Act, except in reliance on an exemption from or as part of a transaction not subject to the registration requirements under the US Securities Act and in accordance with any applicable securities law of any state or any other jurisdiction in the United States. The New Shares, Priority Allocation Rights and Scrips have not been and will not be registered under the securities laws of other jurisdictions, including Canada, Australia, Japan, South Africa or any other jurisdiction that requires the registration or qualification of the Shares. Accordingly, any transfer of New Shares, Priority Allocation Rights or Scrips must comply with the securities legislation of those other jurisdictions.*

*The content of this Prospectus must not be construed as investment, legal, business or tax advice. All potential investors should gain legal, financial or tax advice from their own legal advisers, financial advisers or tax advisers, respectively.*

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Public regulated real estate company under Belgian law
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("**Xior Student Housing**" or "**Xior**" or the "**Company**")

**SUMMARY OF THE PROSPECTUS OF 24 FEBRUARY 2021 FOR THE PUBLIC OFFERING FOR SUBSCRIPTION TO UP TO 4,209,288 NEW SHARES IN THE CONTEXT OF THE CAPITAL INCREASE IN CASH WITHIN THE AUTHORISED CAPITAL AND WITH PRIORITY ALLOCATION RIGHTS FOR UP TO EUR 178,894,740.00 AND FOR THE APPLICATION TO ADMIT THE FOLLOWING FOR TRADING ON THE EURONEXT BRUSSELS REGULATED MARKET: (I) THE NEW SHARES FROM THE MOMENT THEY ARE ISSUED AND (II) THE PRIORITY ALLOCATION RIGHTS FOR THE DURATION OF THE SUBSCRIPTION PERIOD**

## A. INTRODUCTION WITH WARNINGS

### *1. INTRODUCTION*

| | |
|---|---|
| Name and international securities identification code | XIOR share, with ISIN code BE0974288202<br>Priority Allocation Right with ISIN code BE0970177805 |
| Identity and contact details of the issuer | Xior Student Housing NV, public regulated real estate company under Belgian law in the form of a public limited liability company based at Mechelsesteenweg 34, Box 108, 2018 Antwerp, Belgium, with company number 0547.972.794 (Antwerp Register of Legal Entities, Antwerp division) and LEI number 549300JK7HFOCP0U8K85. |
| Competent authority | Financial Services and Markets Authority (FSMA), rue du Congrès/Congresstraat 12-14, 1000 Brussels, Belgium |
| Date of prospectus approval | The Belgian Financial Services and Markets Authority (FSMA) approved the Dutch version of this Prospectus (including the Summary) in accordance with Article 20 of the Prospectus Regulation on 24 February 2021. |

The capitalised terms in this Summary have the meaning that is defined in the Prospectus, unless specified otherwise in this Summary.

### *2. WARNINGS*

This Summary should be read as an introduction to the Prospectus. Any decision to invest in the New Shares, Priority Allocation Rights or Scrips must be based on the investor's review of the entire Prospectus. There is a risk that the investor loses all or part of the invested capital. Under the national law of the member states, there is a risk that an investor acting as a plaintiff in a claim brought before a court or tribunal relating to the information contained in a Prospectus has to bear the costs of translating the Prospectus before the legal proceedings start.

Only persons who have submitted the Summary (including any translations of the Summary) may be held legally liable, if when read together with the other parts of the Prospectus, the Summary is misleading, inaccurate or inconsistent, or if when read together with the other parts of the Prospectus, the Summary does not contain the essential information necessary to assist investors in their considerations to invest in such securities.

## B. ESSENTIAL INFORMATION ABOUT THE ISSUER

### *1. WHICH INSTITUTION IS ISSUING THE SECURITIES?*

***Identification*** – Xior Student Housing is a public regulated real estate company in the form of a public limited company incorporated and acting under Belgian law. Its office is based at Mechelsesteenweg 34, Box 108, 2018 Antwerp, Belgium, and its LEI number is 549300JK7HFOCP0U8K85.

***Main activities*** – Xior is the first and only Belgian public regulated real estate company (RREC), also referred to as a real estate investment trust (REIT), in the student housing sector operating in Belgium, the Netherlands, Spain and Portugal. Since 2007, Xior has been operating as the owner and operator of high-quality, reliable student housing for students looking for the ideal place to study, live and relax. Xior buys or develops its student housing herself to then manage and operate the buildings. The student properties offer a comfortable and safe environment that fully meets students' needs today and are centrally located in "triple-A locations" close to the educational institution and no more than a ten-minute walk from the city centre. The Company's target market includes Belgian and international students, research assistants, young post-graduate students and PhD students. Xior has every intention of continuing to pursue its growth strategy in the future by adding quality student properties to its property portfolio and by completing the projects in its property development pipeline.

***Major shareholders*** – Based on the transparency statements received until the date of this Summary and assuming that the number of shares held by the relevant shareholders has not changed since the relevant transparency statements, the following parties are the only Company shareholders, each owning 5% or more of the Existing Shares:

| **Shareholder** | **Number of shares** | **Shares % (rounded)** |
|---|---|---|
| Aloxe NV – Mr C. Teunissen and Mr F. Snauwaert | 3,602,041[1] | 17.11%[2] |
| AXA Investment Managers SA | 1,743,019[3] | 9.11%[4] |

[1] Based on the most recent information available to the Company.
[2] Based on the most recently published denominator of 21,046,441 shares.
[3] Based on the participation mentioned in the most recently received transparency notification (of 3 April 2020).
[4] Based on the denominator mentioned in the most recently received transparency notification (of 3 April 2020), which is the denominator for 6 November 2019 of 19,133,129 shares.

The issuer is not directly or indirectly owned or controlled by any other parties.

Main shareholder Aloxe NV has informed the Company that it intends to subscribe to the Offer for 719,088 New Shares by exercising the Priority Allocation Rights associated with the Existing Shares it now owns. The Company is not aware of whether the Existing Shareholders will or will not subscribe to the Offer. All members of the management team and the Board of Directors holding Existing Shares in the Company have indicated that they will subscribe to the Offer in proportion to the Existing Shares they hold personally. Mr Bastiaan Grijpink (CIO and Country Manager Iberia of the Company) has also indicated that he was interested in purchasing additional Priority Allocation Rights on the Euronext Brussels regulated market or privately during the Subscription Period.

***Principal directors*** – The Company's Board of Directors consists of six members: (i) Ms Kathleen Van den Neste, (ii) Mr Joost Uwents, (iii) Mr Wilfried Neven, (iv) Mr Wouter De Maeseneire, (v) Mr Christian Teunissen and (vi) Mr Frederik Snauwaert.

***Statutory Auditor*** – The Company's Statutory Auditor is PwC Bedrijfsrevisoren / Réviseurs d'Entreprises, a private company incorporated 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 version) and represented by Damien Walgrave.

### 2. *WHAT IS THE ESSENTIAL INFORMATION ABOUT THE ISSUER?*

**Balance sheet and profit and loss account**
Unless otherwise stated, the figures provided in the table below are in EUR 1,000.

| | ***FY 2020*** | ***FY 2019*** | ***FY 2018*** |
|---|---|---|---|
| ***Investment property*** | *1,555,779* | *1,190,791* | *814,908* |
| ***Equity*** | *659,503* | *625,808* | *410,019* |
| ***Equity – group share*** | *641,194* | *610,427* | *410,019* |
| ***Amounts owed to credit institutions – long term*** | *621,392* | *500,425* | *401,177* |
| ***Balance sheet total*** | *1,620,316* | *1,276,529* | *861,752* |
| ***Debt ratio*** | *54.18%* | *45.67%* | *49.32%* |
| | | | |
| | ***FY 2020*** | ***FY 2019*** | ***FY 2018*** |
| ***Net rental result*** | *57,896* | *44,932* | *30,081* |
| ***Property operating result*** | *50,414* | *38,515* | *26,418* |
| ***Operating result before result on the portfolio*** | *44,471* | *35,069* | *23,323* |
| ***EPRA earnings**** | *33,962* | *24,103* | *16,179* |
| ***EPRA earnings – group share**** | *33,299* | *23,975* | *16,179* |
| ***Net result*** | *-41,773* | *7,659* | *16,105* |
| | | | |
| ***EPRA earnings per share (in EUR)**** | *1.74* | *1.61* | *1.46* |
| ***EPRA earnings per share – group share (in EUR)***[5] | *1.70* | *1.60* | *1.46* |
| ***Cash flow from operating activities*** | *3,292* | *-45,813* | *-24,770* |
| ***Cash flow from investment activities*** | *-282,360* | *-252,915* | *-237,478* |
| ***Cash flow from financing activities*** | *281,624* | *297,729* | *261,637* |

* Xior Student Housing NV uses alternative performance measures (APMs) to measure and monitor its operational performance. The European Securities and Markets Authority (ESMA) issued guidelines for the use and explanation of alternative performance measures, which came into effect on 3 July 2016.

### 3. *WHAT ARE THE MAIN SPECIFIC RISKS FOR THE ISSUER?*

#### *(a) MARKET RISKS*

**Risks associated with supply and demand in the student housing market** – The demand for the Company's student rooms can be significantly adversely affected by a possible decline in student populations, which may or may not be dependent on the range of study programmes on offer and/or the (continued) presence and quality of educational institutions, the reduction of financial government support to students, higher enrolment fees or increasing online courses. The COVID-19 crisis may accelerate such an increase in online courses. Conversely, the Company is also exposed to an oversupply of properties for student housing.

#### *(b) PROPERTY-RELATED RISKS*

**Risks associated with the evolution of the property portfolio's Fair Value** – The Fair Value of the Company's property portfolio, as estimated each quarter by independent valuation experts, fluctuates and is included in accordance with IAS 40. (As a result of the COVID-19 pandemic, the valuation experts assessing the Company's properties in Spain and Portugal have also included a material valuation uncertainty clause in their valuation report.) The Company is therefore exposed to fluctuations in the Fair Value of its property portfolio, which will have an impact on factors such as the net result and debt ratio. Between the third and fourth quarters of 2020, the Fair Value of the property portfolio fell by 3.49%, resulting in a negative portfolio result for the fourth quarter (and therefore an impact on the net result) of EUR 46.3 million. The Company is also exposed to the risk of impairment as a result of wear and tear and/or damage caused by tenants, increasing vacancy rates, unpaid rent, falling rent prices, changes in the property sale taxation and maintenance or renovation problems with co-owned properties and properties with incorrect plans and/or measurements.

**Construction, development and reconversion risks** – The Company has several development and reconversion projects in its portfolio. These projects are associated with various risks, including a risk that the necessary permits are challenged or not granted, the project is delayed, vacancy occurs (if the end of the possible existing lease and the start of the works do not match) or the budget is exceeded due to unforeseen costs.

**Risks associated with (rejected or delayed) permits and other authorisations and the requirements to be met by property** – The value of property is partly determined by the existence of all the permits and authorisations that are required by law. The absence of the required permits or non-compliance with the permit or other regulatory conditions may affect the operation and therefore the value and rental income of the properties in question, and, without prejudice to potential criminal liability, may give rise to regularisation procedures that may require alteration works, time-consuming environment-related procedures and additional conversion costs.

**Risks associated with the execution of maintenance work and repairs** – Renovation and investment programmes resulting from age or wear and tear (due to normal, structural and technical ageing), damage or increasing (legal or commercial) requirements may lead to substantial costs and may temporarily prevent the rental of (part of) the property in question.

### *(c)* *OPERATIONAL RISKS*

**Risks associated with the inability to conclude and execute rental agreements (and in particular with the impact of changes to the Dutch Housing Valuation System), vacancy and loss of rent** – The Company is exposed to the risk of lost rent associated with the departure of tenants before or when the current rental agreements expire. This means that student accommodation characterised by short-term rental agreements is at a higher risk of not being rented out (again) than other types of real estate. In the Netherlands, the government uses the Housing Valuation System to regulate the price levels in the "social" rental market. A legislative or general policy change in this points system may have a (potentially significant) negative impact on the rental income the Company collects and/or receives and on the valuation of the property concerned.

**Risks associated with merger, demerger or takeover transactions** – In order to structure and expand its portfolio, the Company has engaged in merger, demerger and other takeover transactions in the past, and is expected to continue to do so in the future. By their very nature, such transactions transfer all the liabilities of the real estate companies concerned, including those that the Company may not have been able to reveal in the context of its due diligence investigations and those that the Company may not have been able to hedge with guarantees in the relevant takeover agreements. The guarantees are by nature limited in time and tend to limit the sellers' maximum liability. Lastly, the Company continues to be faced with the risk of insolvency of its counterparty.

**Risks associated with nuisance caused by student tenants and the resulting reputational damage** – Most of the Company's tenants are students. As at 31 December 2020, students represented 89.85% of the portfolio's Fair Value. The Company is therefore at a higher risk than other property (sub-)sectors of receiving complaints and having to comply with enforced (administrative) measures for the properties in its property portfolio, which may directly and indirectly lead to additional costs and reduced income. Gatherings had to be broken up at several of the Company's residences in the context of the COVID-19 crisis, sometimes with the involvement of the police. This has led to press releases and interventions in collaboration with the universities and municipal authorities of the student cities where the Company operates. If such problems had become structural in a particular residence, the municipal administration might have been forced to close the residence, which would have resulted in vacancy and a possible loss of rental income.

### *(d)* *FINANCIAL RISKS*

**Risks associated with financing – exceeding the debt ratio** – As at 31 December 2020, the Company's consolidated debt ratio was 54.18% and the statutory debt ratio was 50.86%. Taking into account the acquisitions after 31 December 2020, it can be concluded that the Company has a consolidated debt capacity of EUR°493 million before reaching the statutory maximum consolidated debt ratio of 65% for RRECs and of EUR°228 million before reaching the consolidated debt ratio of 60% imposed in the Company's financing contracts with financial institutions. Failure to comply with financial parameters could result in sanctions, termination or renegotiation of financing agreements, compulsory early repayment of outstanding amounts and less trust between the Company and its investors and/or between the Company and its financial institutions, which in turn could lead to less liquidity and difficulties with the continuation of the growth strategy.

**Risks associated with financing agreements (including covenant compliance) – liquidity** – There is a risk of cancellation, renegotiation, forced repayment or even early termination of credit agreements in the event of default as defined in these financing agreements. (Such risks are not always attributable to the Company itself, for example in case of a change of Company control.) Pursuant to so-called "cross acceleration" or "cross default" provisions, an event of default (noting that certain instances of "default" or breach of covenants – such as a change of control – included in all financing agreements are beyond the Company's control) under one financing agreement may also lead to defaults under other financing agreements (regardless of any waivers granted by other lenders in the case of a "cross default" provision) and may therefore force the Company to repay all these credit lines early. If the Company were exposed to a liquidity problem, it could be forced to sell some of its assets in the worst-case scenario. The Company is therefore exposed to a liquidity risk if its financing agreements, including the existing lines of credit, are not renewed, not renewed on time or terminated.

### *(e)* *REGULATORY AND OTHER RISKS*

**Risks associated with the status of a Public RREC and the applicable taxation** – If the Company were to lose its RREC licence, it would no longer benefit from the special tax regime for RRECs. One consequence of this would be that the rental income at Company level that is currently exempt from corporate income tax becomes subject to corporation tax. Moreover, the Company's credit agreements generally regard the loss of the RREC licence as an event that could lead to its loans becoming payable early (possibly as a result of so-called "acceleration" or "cross default" provisions included in the credit agreements – see also the previous Risk Factor). Such an early claim would jeopardise the Company's continued existence in its current form with its current property portfolio.

## C. ESSENTIAL INFORMATION ON THE SECURITIES

### *1. WHAT ARE THE MAIN CHARACTERISTICS OF THE SECURITIES?*

All New Shares (up to 4,209,288) are issued in accordance with Belgian law and are fully paid-up, ordinary, non-par-value shares in the same type as the Existing Shares with voting rights and representing the capital. The New Shares will be allocated ISIN code BE0974288202, which is the same code as the one used for the Existing Shares. The Priority Allocation Rights have ISIN code BE0970177805.

The issue is in euros. On the date of the Prospectus, the Company's capital is represented by 21,046,441 fully paid-up, non-par-value Existing Shares.

***Rights associated with the securities*** – All Shares will offer the same rights as the Existing Shares, but as a result of the detachment of coupons no. 16 and 17 on 24 February 2021 (after the end of trading), the New Shares will not participate in the Company's results for the financial year 2020 and will only proportionately participate in the Company's results for the current financial year 2021 starting from 9 March 2021. Each Share carries one vote, except in cases where voting rights are suspended by law. In principle, the Company Shareholders have a pre-emptive right or a priority allocation right in the context of a capital increase by contribution in cash in accordance with the applicable legislation. However, in certain cases the Company may abolish or restrict the pre-emptive right of the Shareholders. Each Shareholder may request to have their Shares converted into registered shares or dematerialised shares at any time at their own expense. The Company's liquidation proceeds will be proportionately distributed to all Shareholders based on their stake in the Company's share capital once all debts, charges and settlement costs have been paid.

***Ranking*** – All Shares represent an equal share of the capital and have the same rank in the event of the Company's insolvency.

***Restrictions on the securities' free tradability*** – Subject to the general restrictions for the Offer and the distribution of the Prospectus, and the specific standstill restrictions to which the Company and the Existing Shareholder Aloxe NV are committed in the context of this transaction, there are no restrictions on the free transferability of the Shares other than those resulting from the law.

***Dividend policy*** – According to the Royal Decree on Regulated Real Estate Companies and Article 34 of the Company's Articles of Association, 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 that are not exempt from the distribution 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.

The use of the balance is decided at the Annual General Meeting based on a proposal from the Board of Directors. The Company continues to be subject to Article 7:212 of the Belgian Companies and Associations Code. In addition, account must always be taken of the legal (separate and consolidated) maximum debt ratio of 65% permitted by the Legislation on Regulated Real Estate Companies, and the fact that the financial institutions impose a maximum debt ratio of only 60%. The Board of Directors may decide to pay interim dividends on its own responsibility.

As stated in its "*Annual Communiqué – Announcement of the Annual Results 2020*" to be published on the Company website on 24 February 2021, the Company's Board of Directors intends to propose to the Annual General Meeting of 20 May 2021 a dividend of EUR 1.36 gross or EUR 0.952 net per share for the financial year 2020. The gross dividend for the financial year 2020 is, of course, subject to approval at the Annual General Meeting for the financial year 2020. Barring unforeseen circumstances, the Company strives towards a gross dividend of EUR 1.44 per share for the financial year 2021 (a 6% increase compared to 2020), which would entitle the holders of New Shares to a gross dividend of EUR 1.1757 per share for the period from 9 March 2021 in the financial year 2021. This estimate is, of course, subject to the results and approval by the Ordinary General Meeting for the financial year 2021.

#### *2. Where will the securities be traded?*

A request has been submitted to the Euronext Brussels regulated market for the admission to trading of (i) the New Shares from their issue date and (ii) the Priority Allocation Rights for the Subscription Period.

#### *3. What are the main specific risks for the securities?*

##### *(a) Risks associated with the New Shares, Priority Allocation Rights or Scrips*

***Fluctuations in the stock market prices of the shares*** – Certain changes, developments (such as the occurrence of one of the Risk Factors described in this Summary) or publications about the Company may have a material impact on the price of the Shares. Certain political, economic, monetary, financial and/or health-related factors beyond the Company's control may also lead to significant volume and price fluctuations on the stock market. The price of the Shares may fall below the Issue Price.
**Possibility of future dilution for the Shareholders** – As an RREC, Xior needs a steady flow of capital to continue and grow its activities. It has consequently increased its capital (excluding the issue premium) several times since its IPO. Shareholders who held 1% of the Company's capital on 11 December 2015 and who never exercised their priority allocation rights or participated in optional dividends would only own 0.22% of the Company's capital on the date of this Summary. Shareholders who held 1% of the Company's capital on 11 December 2015, but who have always exercised all of their priority allocation rights and have always participated fully in all optional dividends would hold only 0.67% of the Company's capital as at the date of this Summary pursuant to contributions in kind, mergers and accelerated bookbuild offerings.

##### *(b) Risks associated with the Offer*

**Withdrawal of the Offer** – The Company reserves the right to withdraw or suspend the Offer before, during or after the Subscription Period, but always before the New Shares start trading on Euronext Brussels, if (i) no Underwriting Agreement is signed or an event takes place that allows the Underwriters to terminate their commitment under the Underwriting Agreement, provided that such an event is likely to significantly and adversely affect the success of the Offer or the trading of the New Shares on the secondary market, (ii) Aloxe NV, Mr Christian Teunissen and/or Mr Frederik Snauwaert directly or indirectly, individually, jointly or in cooperation hold more than 30% of the Company's voting securities immediately after the capital increase and/or (iii) there is no confirmation of the admission of the Priority Allocation Rights and the New Shares to trading on the Euronext Brussels regulated market after their respective detachment or issue. Following the decision to withdraw the Offer, subscriptions to New Shares will automatically expire and have no effect. The Priority Allocation Rights (and Scrips as the case may be) will become null and void in this case. Investors who bought Priority Allocation Rights (or Scrips) on the secondary market will consequently suffer a loss, as the trading in Priority Allocation Rights (or Scrips) will not be cancelled when the Offer is withdrawn.
**No minimum amount for the Offer** – No minimum amount has been 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 178,894,740.00. It is therefore possible that the financial resources available to the Company after the Offer and after the allocation of the Offer's proceeds as described in Chapter D.2, are lower or not enough to allow the Company to execute the investments described in Chapter D.2 and/or that the Company has to resort to alternatives, such as additional debt financing, a capital increase by means of contributions in cash or contributions in kind or – in a worst-case scenario – a divestment of assets.

### D. Essential information on the public offering of securities and/or the admission to trading on a regulated market

#### *1. Under what conditions and timetable can I invest in this security?*

***General terms and conditions*** – The subscription period runs from 25 February 2021 to 4 March 2021 and cannot be closed early. During the Subscription Period, holders of Priority Allocation Rights can subscribe to New Shares according to the following ratio: 1 New Share for 5 Priority Allocation Rights. The Priority Allocation Right is represented by coupon no. 18 attached to the Existing Shares. Each Existing Shareholder of the Company has a Priority Allocation Right for each Share held at the end of the trading day of 24 February 2021.

The Issue Price is EUR 42.50. The maximum amount for the Offer, including the issue premium, is EUR 178,894,740.00. No minimum amount has been set for the Offer. The Company reserves the right to achieve the capital increase for a lower amount.

The Issue Price is 11.46% lower than the Share's closing price on the Euronext Brussels regulated market on 23 February 2021 (which was EUR°48.40), adjusted to take into account the estimated value of coupons no. 16[5] and 17[6] to be detached on 24 February 2021 (after the end of trading), or EUR°48.00 after this adjustment. Based on this closing price, the theoretical ex-rights price ("TERP") is EUR 47.08, the theoretical value of a Priority Allocation Right EUR 0.92 and the discount of the Issue Price compared to the TERP 9.73%.

Existing Shareholders holding their registered Shares will receive a notification from the Company informing them of the number of Priority Allocation Rights they hold and the procedure to be followed for exercising or trading their Priority Allocation Rights:

1. The Existing Shareholders holding their registered Shares who wish to exercise their Priority Allocation Rights in a valid way must send the relevant form on time so that the Company receives it by 3.00 p.m. CET on 4 March 2021 at the latest. They will also ensure that the total Issue Price arrives in the bank account specified in the letters to the registered Existing Shareholders by 3.00 p.m. CET on 4 March 2021 at the latest.
2. The Existing Shareholders holding their registered Shares who wish to trade their Priority Allocation Rights must send the relevant form on time so that the Company receives it by 9.00 a.m. CET on 2 March 2021 at the latest.

Shareholders holding Shares in a custody account are informed by their financial institution of the procedure to be followed to exercise or trade their Priority Allocation Rights.

It is not possible to combine registered Priority Allocation Rights and dematerialised Priority Allocation Rights in order to subscribe to New Shares.

Those who do not have the exact number of Priority Allocation Rights required to subscribe to a whole number of New Shares can use the Subscription Period to either purchase the missing Priority Allocation Rights in order to subscribe to one or more additional New Shares, or sell (or keep) the Priority Allocation Rights representing fractional shares during the Subscription Period. The purchase and sale of Priority Allocation Rights may result in costs. Undistributed subscriptions are not possible: the Company recognises one owner per Share only.

Shareholders who have not exercised their Priority Allocation Rights by the end of the Subscription Period on 4 March 2021 will no longer be able to exercise those rights after this date.

The (i) Priority Allocation Rights that were not exercised on the closing date of the Subscription Period and the (ii) Registered Priority Allocation Rights (x) for which a correctly completed subscription form or dematerialisation request was not received on time, (y) that were not sold in the name of the Company and for the account of the relevant registered shareholder by ING Belgium NV (despite any instructions in the subscription form), or (z) for which the total Issue Price was not paid on time (and will be qualified as non-exercised Priority Allocation Rights) will automatically be converted into an equal number of Scrips. The Underwriters will offer these Scrips for sale to Belgian and international institutional investors as soon as possible and in principle on 5 March 2021, in the European Economic Area, the United Kingdom and Switzerland, in accordance with Regulation S under the US Securities Act through the Private Placement of Scrips. The Scrips buyers will have to subscribe to the New Shares still available at the Issue Price and in accordance with the Subscription Ratio applicable to the subscription by exercising the Priority Allocation Rights. The net proceeds from the sale of these Scrips minus the costs, expenses and charges of any kind incurred by the Company in the context of the Private Placement of Scrips (the "**Excess Amount**") will be distributed proportionally among all (i) holders of Priority Allocation Rights that were not exercised during the Subscription Period and (ii) holders of registered Priority Allocation Rights that were exercised during the Subscription Period but for which the total Issue Price was not paid on time, if applicable upon presentation of coupon no. 18 in principle from 12 March 2021. However, in the event that the Excess Amount divided by the total number of non-exercised Priority Allocation Rights (or those qualifying as such) is less than EUR 0.01 per Scrip, it will not be distributed, and it will be transferred and provided to the Company.

The Company reserves the right to withdraw or suspend the Offer before, during or after the Subscription Period in certain cases (see also Risk Factor "Withdrawal of the Offer" in Chapter C.3(b)). Following the decision to withdraw the Offer, subscriptions to New Shares will automatically expire and have no effect.

| | |
|---|---|
| Subscription Period opening date | 25 February 2021 |
| Deadline by which the Company must receive the forms from Existing Shareholders who wish to keep their registered Shares and trade their Priority Allocation Rights or transfer them to a custody account | 2 March 2021, before 9.00 a.m. CET |
| Deadline by which (i) the Company must receive the subscription form from Existing Shareholders who wish to keep their registered Shares and exercise their Priority Allocation Rights and (ii) the Issue Price must be paid by said persons | 4 March 2021 before 3.00 p.m. CET |
| Subscription Period closing date | 4 March 2021 |
| Suspension of the Share's trading (at the Company's request) until the publication of the press release about the Offer's results (which includes the Private Placement of Scrips) | 5 March 2021 (at the start of trading) |
| Press release about the results of the Public Offering (published on the Company website) | 5 March 2021 |
| Private Placement of Scrips | 5 March 2021 |
| Press release about the Offer's results (including the Private Placement of Scrips) and any Excess Amount, followed by the resumption of trading in the Shares | 5 March 2021 |
| Payment of the subscribed New Shares with dematerialised Priority Allocation Rights and Scrips | 9 March 2021 (before the start of trading) |

[5] If the proposed gross dividend for the financial year 2020 is approved at the Annual General Meeting of 20 May 2021, coupon no. 16, which refers to the gross dividend for the financial year 2020 for the period starting from 25 November 2020 (inclusive) up to and including 31 December 2020, will represent EUR 0.1375.

[6] The Company's Board of Directors estimates the gross dividend for the financial year 2021 at EUR 1.80 per share. As a result, the Company's Board of Directors estimates coupon no. 17, which represents the proportionate gross dividend for the current financial year 2021 for the period from 1 January 2021 (inclusive) up to and including 8 March 2021, at EUR 0.2643 per Share. Of course, this estimate is subject to the results of the financial year 2021 and the approval by the Ordinary General Meeting, which will decide on the dividend to be paid with respect to the financial year 2021.

| | |
|---|---|
| Conclusion of the realisation of the capital increase | 9 March 2021 (before the start of trading) |
| Delivery of the New Shares to subscribers | 9 March 2021 |
| Admission to trading of the New Shares on the Euronext Brussels regulated market | 9 March 2021 |
| Press release about the share capital increase and the new denominator for transparency regulation purposes | 9 March 2021 |
| Payment of the Excess Amount | From 12 March 2021 |

The Company can adjust the dates and times of the capital increase and the periods indicated in the above timetable and in the Prospectus.

***Plan for marketing the securities*** – The following can subscribe to the New Shares: (i) Existing Shareholders, holders of Priority Allocation Rights; (ii) persons who have acquired Priority Allocation Rights either on the Euronext Brussels regulated market or privately; (iii) investors who have acquired Scrips in the context of the Private Placement of Scrips described above in Chapter D.1 "General terms and conditions". The Public Offering will only be open to the public in Belgium. The Company reserves the right, at its sole discretion, to issue New Shares to (i) certain Shareholders residing in the United Kingdom, pursuant to any non-real-time communication or requested real-time communication, if there are reasonable grounds to believe that the recipient is a member of the Company in accordance with Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended, and (ii) certain Shareholders residing in the United States, if they are qualified institutional buyers ("**QIBs**") as defined in Rule 144A under the US Securities Act, or accredited investors ("**Accredited Investors**") as defined in Rule 501 of Regulation D under the US Securities Act, in accordance with the exception provided by Section 4(a)(2) under the US Securities Act. The Company will only do this if a Shareholder has contacted the Company based on a "reverse inquiry" and has certified that they (i) are an existing Shareholder, (ii) are a QIB and an Accredited Investor and (iii) have agreed to certain transfer restrictions for New Shares by signing and providing a "QIB Investor Representation Letter" to the Company. The Priority Allocation Rights and the Scrips will not be offered in or to the United States.

***Admission to trading*** – The Priority Allocation Rights (coupon no. 18) will be detached on 24 February 2021 after the stock market closing and can be traded on the Euronext Brussels regulated market during the Subscription Period from 25 February 2021 up to and including 4 March 2021. From 25 February 2021, the Existing Shares will therefore be traded ex-coupon no. 18, ex-coupon no. 16 and ex-coupon no. 17.

***Dilution*** – Existing Shareholders exercising all their Priority Allocation Rights will not be subject to any dilution of their voting rights and dividend entitlements. The Existing Shareholders who are not exercising (all or part of) the Priority Allocation Rights allocated to them will undergo a future dilution of voting rights, dividend rights, rights to capital distributions (also in the context of the Company's liquidation) and other rights associated with the Shares (such as statutory pre-emptive rights or priority allocation rights in the event of a capital increase in cash, as the case may be) and will be exposed to a risk of financial dilution. The Existing Shareholders may also experience dilution to the extent that (i) the Priority Allocation Rights they hold do not entitle them to subscribe to a whole number of New Shares in accordance with the Subscription Ratio, (ii) the fact that registered Priority Allocation Rights and dematerialised Priority Allocation Rights cannot be combined in order to subscribe to a New Share, and (iii) they do not acquire the number of additional Priority Allocation Rights necessary to subscribe to a whole number of New Shares. An Existing Shareholder who holds 1% of the Company's capital and consequently 1% of the Company's voting rights prior to the issue and who does not subscribe to the Offer will hold 0.83% of the Company's capital and voting rights after the issue of the New Shares. (The calculation is based on the number of Existing Shares and an estimated number of New Shares of 4,209,288.)

The Company's costs of the Offer are estimated at approximately EUR 3.9 million. Subscription requests may be submitted free of charge directly at the counters of Belfius Bank, ING Belgium, BNP Paribas Fortis, ABN AMRO and KBC Securities, and/or via any other financial intermediary. Investors are invited to obtain information on any costs such other financial intermediaries may charge.

### *2. WHY HAS THIS PROSPECTUS BEEN DRAWN UP?*

***Use and estimated net proceeds*** – The Offer's main objective is part of the 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. As at 31 December 2020, the debt ratio was 54.18%. If the Offer is fully subscribed, its net proceeds are estimated at EUR 175.0 million (after deduction of the Offer's commissions and costs paid by the Company). If the Offer is fully subscribed, this will result in a total additional investment potential of approximately EUR 389.0 million, considering that the Company is aiming for a debt ratio of 55%. The Company intends to use the net proceeds to finance the following in combination with credit financing as the case may be:

- The projects announced up to the date of this Summary. To date, the Company has announced approximately EUR°636 million in investments for buildings and projects that have not yet been completed on the date of this Summary. EUR°236 million of this is expected to be invested in 2021 and 2022:
    - The previously announced projects for Spain and Portugal are Lamas (Lisbon), Granjo (Porto), UEM (Madrid), Collblanc (Barcelona), U.hub Boavista (Porto) and U.hub Lumiar (Lisbon). Together, these projects represent a total investment value of EUR°143 million, of which EUR°49 million is expected to be invested in 2021 and 2022.
    - The previously announced projects for the Benelux are Eendrachtskade (Groningen), Keesomlaan (Amstelveen), Bokelweg (Rotterdam), Boschdijk Veste (Eindhoven), the project in the Amsterdam area and Brinktoren in Amsterdam, and Marivaux (Brussels), Melo (Namur), Sint-Pietersplein, Voskenslaan and Bagatten (all three in Ghent). Together, these projects represent a total investment value of EUR°426 million, of which EUR°142 million is expected to be invested in 2021 and 2022.
    - XL fund portfolio: This concerns Felix and Campus Drie Eiken in Antwerp and Ariënsplein in Enschede. Together, these projects represent a total investment value of EUR°67 million, of which EUR°45 million is expected to be invested in 2021 and 2022.
- The acquisition and completion of the following properties and/or projects, which were announced on the date of this Summary for a total amount of EUR°41.7 million, the entire amount of which is expected to be invested in 2021 and 2022:
    - Project Teatinos in Malaga (Spain): This project concerns the construction of a student residence in Malaga. The residence will have 229 units. A permit has been granted for the project. The project is expected to be completed in the summer of 2021. The total investment value is approximately EUR°23.2 million and the gross yield is expected to stabilise at approximately 7.1%. The investment will generate income from Q3 2021.
    - Project Cty Lofts in Leeuwarden (the Netherlands): This project concerns the construction of a student residence in Leeuwarden. The residence will have 183 units. The project is currently in the permit stage. The permit is expected to be obtained in July 2021. The project is expected to be completed in early 2023. The total investment value is approximately

EUR°18.5 million and the gross yield is expected to stabilise at approximately 6.2%. The investment will generate income from Q1 2023.

- A platform investment in digitalisation and IT infrastructure to structurally support its growth and to prepare the infrastructure for the next growth stages. This is an investment of approximately EUR°0.5 million.

The value of the investments listed above is approximately EUR°278 million. If the Offer is fully subscribed, this would mean that a further EUR 103.0 million is still to be financed with loans. This can be covered partly by already committed loans totalling EUR 94.0 million, and partly with financing that has yet to be negotiated. 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. If the Offer is fully subscribed, the net amount of the capital increase will make the Company's consolidated debt ratio of 54.18% as at 31 December 2020 fall to 43.38% if we only take into account the proceeds from the Offer.

In addition to the announced acquisitions and development projects, the Company is constantly analysing potential investment opportunities. These opportunities may consist of acquisitions of existing properties and redevelopment projects (development in-house or by, or in cooperation with, external partners). The Company is not certain that any of these opportunities will materialise in the short or medium term. At the date of this Prospectus, the Company has various potential investment opportunities of different sizes and at different stages of a normal investment process. The Company cannot provide more precise information on these, given their status and in particular because none of these potential investment opportunities are already irrevocably and unconditionally (materially) committed to by the Company today. The Company may, as one of the interested parties, also participate in public tender procedures that could be awarded to them.

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 for EUR 175,0 million (at least temporarily) for repayment of outstanding loans under existing revolving credit lines, on the understanding that the Company can draw down the amounts again under these revolving credit facilities when necessary to finance its growth depending on the planned investments (and their timing).

The Company will further refine the amounts and timing of the Company's actual expenditures depending upon, among other things, the evolution of the Company's indebtedness, the availability of suitable investment opportunities, the achievement of agreements on appropriate terms with potential sellers, the net proceeds of the Offer and the Company's operating costs and expenses.

***Underwriting Agreement*** – The Underwriters and the Company have committed to negotiate an agreement in good faith that will include the contractual arrangements between them regarding the Offer: the "**Underwriting Agreement**". The Underwriters and the Company are therefore not currently obliged to conclude such an agreement, to subscribe to New Shares or to issue them. The objective of such subscription to the New Shares by the Underwriters will be the immediate allocation of the New Shares to the relevant investors with guaranteed payment of the Issue Price of the New Shares subscribed by investors other than Aloxe NV who exercised their Priority Allocation Rights during the Subscription Period and made the relevant payment, and by the Belgian and international institutional investors who exercised their Scrips, but whose payment had not been received on the date of the capital increase ("soft underwriting").

***Material conflicts of interest*** – Belfius Bank and ING Belgium act as Joint Global Coordinators and Joint Bookrunners. BNP Paribas Fortis, ABN AMRO and KBC Securities are acting as Joint Bookrunners. Together with the Joint Global Coordinators and Joint Bookrunners, they are also the Underwriters for the Offer. Some Underwriters have also entered into long-term credit agreements, hedging contracts and/or liquidity contracts with the Company. They have provided various banking, investment, commercial and other services to the Company for which they have received fees, and they may continue to provide these services in the future in exchange for such fees.

# 2. RISK FACTORS

By definition, each investment in shares involves considerable risks. This chapter describes (i) certain risks specific to the Company and its operations and (ii) certain risks specific to the Shares, the Priority Allocation Rights, the Scrips and the Offer, all of which are essential to allow the investor to make an informed investment decision.

Investors are requested to consider the described risks, uncertainties and other relevant information included in this Prospectus before making an investment decision. If these risks were to materialise, they could lead investors to lose all or some of their investment.

Investors should carefully read the entire Prospectus to come to their own views and decisions about the merits and risks of investing in the New Shares, trading in the Priority Allocation Rights or acquiring the Scrips in the light of their personal circumstances. Investors are also recommended to consult their financial, legal and tax advisers to carefully assess the risks associated with investing in the New Shares, trading in the Priority Allocation Rights or acquiring the 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 Prospectus. 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.

In accordance with the Prospectus Regulation, this chapter only mentions the specific and most important risk factors for the Company, the Shares, the Priority Allocation Rights, the Scrips and the Offer. The risk factor that is considered most significant based on its probability and the expected magnitude of its adverse effects is presented first within each category. However, the order of the categories is not an indication of the importance of the categories themselves or the relative importance of the risk factors mentioned within a certain category in comparison with the risk factors mentioned in another category. Similarly, the order of the risk factors that are mentioned within each category after the first risk factor does not indicate the relative importance of these other risk factors within that particular category.

## 2.1. Market risks

### 2.1.1 Risks associated with supply and demand in the student housing market

The Company's income and portfolio value are to a very large extent related to property focusing specifically on student housing. This type of property makes up the vast majority of the Company's property portfolio (89.85% based on the Fair Value of the portfolio as at 31 December 2020, from which the Company generates 96.38% of its gross rental income as at 31 December 2020). The rent level and property valuation are strongly influenced by the supply and demand to buy or rent in the property market.

The demand for student housing, and therefore the Company's financial situation, can be significantly negatively 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 COVID-19 crisis may accelerate such a trend, as physical lectures were reduced, cancelled or replaced by online lectures to a lesser or greater extent at different times in all countries where the Company operates as part of the restrictions to curb the pandemic (see also Chapter 9.2.1.2 of this Prospectus). If the crisis extends beyond the current academic year and the next academic year also has to start in an online format either partially or completely, this may have a material negative impact on the letting of the properties in Xior's portfolio.

The demand for student rooms may also be adversely affected if any government financial aid to students (such as loans, subsidies, (housing) allowances or student grants) is scaled back or if educational institutions decide to raise their registration fees. Such a decline in demand for student housing may or may not be local, may affect a particular area of a student town, entire student town or even the entire student population in a particular country and will result in lower demand when the lease agreements are renewed with existing tenants or when new lease agreements are signed. This could then cause the occupancy rate or rent to fall, which would have a direct negative impact on the Company's income and an indirect effect on the value of the property held by the Company in its portfolio.

An oversupply of property specifically dedicated to student housing could lead to both impairment of the Company's property (see also Risk Factor 2.2.1 of this Prospectus) as well as a reduction in the rents the Company could charge to its tenants and therefore in the Company's income.

As at 31 December 2020, a 1% reduction in rental income (which, as stated, is largely generated from this student real estate) would lead to a 1.72% fall in the Company's EPRA result[7], a EUR 0.03 fall in the NAV per share[8] and a 0.04% increase of the debt ratio (excluding any tax impact).

As the property held by the Company is largely let based on fixed-term contracts (of one year or less), such a decrease in rent prices may happen fairly quickly after the supply of student housing or the demand for student housing changes in a certain region.

For a detailed description of the Company's activities in this regard, please refer to Chapter 4.1. of the Annual Financial Report 2019, which is still applicable on the date of this Prospectus and is included by reference in this Prospectus (see Chapter 4.11 of this Prospectus).

## 2.2. Property-related risks

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

The Fair Value of the Company's property portfolio as estimated quarterly by independent valuation experts fluctuates and is included in accordance with IAS 40. The COVID-19 pandemic has also prompted the Company's valuation experts appraising the Company's property in Spain and Portugal to include a "material valuation uncertainty" clause, as described in VPS 3 and VPGA 10 of the RICS Red Book Global in their valuation report (see Chapter 7.6.2.3 of this Prospectus).

The Company is therefore exposed to fluctuations in the Fair Value of its property portfolio (between the third and fourth quarters of 2020, the Fair Value of the property portfolio fell by 3.49%, which resulted in a negative portfolio result for the fourth quarter (and therefore an impact on the net result) of EUR°46.3 million). This impact is mainly due to the adjustment of the transfer tax rate in the Netherlands. Another factor is the write-down impact of a commercial property in the Company's portfolio (EUR°-9.3 million) as a result of the amicable cancellation of the ground lease and the write-down of part of the outstanding ground rent as part of a settlement with the leaseholder (for more information in this regard see Chapter 10.9.36 of the consolidated financial statements 2020 (which are planned to be submitted to the shareholders' meeting on 20 May 2021) as included in the F-Pages of this Prospectus). Throughout 2020, the (negative) variations in the fair value of the Company's property in Spain and Portugal (EUR°-7 million) also had an impact.

As at 31 December 2020, a 1% decrease in the Fair Value of the Company's property portfolio would have an impact of EUR°15.6 million on the Company's net result and would have an impact of approximately EUR 0.739 on the net asset value per share. This would also affect the Company's debt ratio by 0.53%.

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[7] Alternatieve Performance Measures. In accordance with the guidelines issued by the European Securities and Market Authority (ESMA) on 3 July 2016, the definitions of the APMs and the use and reconciliation tables in Chapter 1.8 of the consolidated financial statements 2020 are included in the F-Pages of this Prospectus.

[8] As defined in article 2, 23° of the Law on Regulated Real Estate Companies: the value obtained by dividing the consolidated net assets of Xior, after deduction of minority interests, by the number of shares issued by Xior, after deduction of the own shares held, if any, at consolidated level.

The Company is exposed to an impairment risk with regard to the property in its portfolio as a result of:

- wear and tear resulting from normal, structural and technical ageing and/or damage caused by tenants (see also Risk Factor 2.2.4 of this Prospectus);
- increasing vacancy rates (for example due to an oversupply of student housing (see also Risk Factor 2.1.1 of this Prospectus) or the impact of unforeseen circumstances such as the COVID-19 crisis, which explains both the cancellation of the long-term lease and the subsequent write-down of the aforementioned commercial property and the increased uncertainty reflected in the variations in the fair value of the Spanish and Portuguese real estate);
- unpaid rents (see also Risk Factor 2.3.4 of this Prospectus);
- reduced rents when concluding new leases or renewing existing leases (see also Risk Factor 2.3.1 of this Prospectus);
- a change in property sale taxes (for example, on 1 January 2021 the transfer tax in the Netherlands changed (which represents 56.86% of the Fair Value of the total property portfolio as at 31 December 2020) on the sale of any student housing properties from 2% to 8%, which has affected the Fair Value of the Company's Dutch property);
- difficulties in carrying out maintenance operations or renovations as a result of the co-ownership of the properties concerned (as at 31 December 2020, a total of approximately 12.33% of the portfolio's Fair Value was represented by Company properties held in co-ownership); and/or
- incorrect plans and/or measurements on which the property valuation is based for acquisition.

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, despite advance due diligence and an independent property appraisal, it may purchase property at too high a price in relation to the underlying value. Since Xior's IPO in November 2015, the Fair Value of its property portfolio has increased from EUR 196,053,500 to EUR 1,555,779,417 as at 31 December 2020. From 1 January 2018 to 31 December 2020, the Fair Value of the property portfolio increased from EUR 488.8 million to EUR 1,555.8 million. This makes the Company one of the fastest-growing real estate companies. For example, if it were established that the properties acquired since 1 January 2018 had been overvalued by 5% when they were acquired, this would lead to an impairment of the property portfolio, have an impact on the net result of EUR°53.3 million and result in an 8.3% fall in the NAV per share. Based on the debt ratio as at 31 December 2020, this would result in a 1.84% increase in the debt ratio.

For a description of the relevant property market, please refer to Chapter 9.2 of this Prospectus.

### 2.2.2 Construction, development and conversion risks

In addition to acquiring existing properties, the Company invests in development and conversion projects in order to expand its property portfolio. This concerns 5,114 student units out of a total of 16,452 student units after the completion of such projects, or a 45% increase after the completion of such projects compared to the Company's current property portfolio. On the date of this Prospectus, the Company has the following (re)development projects in its portfolio, with a cost to come for 2021-2022 of EUR°236 million:

| **Project** | **Announced investment value (approx. €m)** | **Permits required to start construction present?** | **Expected completion** |
|---|---|---|---|
| **XIOR BENELUX PORTFOLIO** | | | |
| Eendrachtskade – Groningen | 54.0 | ✓ | 2021 |
| Bokelweg – Rotterdam | 56.6 | Expected 2021 | 2022 |

| | | | |
|---|---|---|---|
| Marivaux – Brussels | 20.0 | ✓ | 2022 |
| Bagatten – Ghent | 4.1 | Expected 2021 | 2022 |
| Voskenslaan and St. Pietersplein – Ghent | 16.5 | ✓ | 2022 |
| Boschdijk Veste – Eindhoven | 32.0 | Expected 2021 | 2023 |
| Keesomlaan – Amstelveen | 39.2 | Expected 2021 | 2022 |
| Project Amsterdam area | 123.0 | Expected 2021 | 2023 |
| Tweebaksmarkt – Leeuwarden | 18.5 | Expected 2021 | 2022 |
| **XL FUND BENELUX PORTFOLIO** | | | |
| Felix – Antwerp | 17.44 | Expected 2021 (expansion) | 2022 |
| Campus Drie Eiken – Antwerp(1.) | 33.81 | Expected 2021 | 2023 |
| Ariënsplein – Enschede | 16.00 | To be determined based on the final project file | TBD |
| **IBERIA PORTFOLIO** | | | |
| Lamas – Lisbon(2.) | 10.4 | ✓ Building permit<br>- Use permit still to be obtained before construction starts | 2021 |
| Granjo – Porto | 17.8 | ✓ | 2021 |
| UEM (additional potential) – Madrid | To be determined (expected 22 February) | Expected 2021 | TBD |
| Collblanc Project – Barcelona | 23.0 | ✓ | 2021 |
| U.hub Boavista – Porto(3.) | 33.6 | Expected 2021 | 2023 |
| U.hub Lumiar – Lisbon(4.) | 35.5 | Expected 2021 | 2023 |

1. As soon as the construction of this project starts (when the permit has been obtained), the Company will purchase the project company in full and possibly pre-finance the project.
2. As soon as the construction of this project starts (when the permit has been obtained), the Company will purchase 50% of the project company and possibly pre-finance the project. The Company will acquire the remaining 50% of the project company upon completion of the development.
3. As soon as the construction of this project starts (when the permit has been obtained), the Company will purchase 25% of the project company and possibly pre-finance the project. The Company will acquire the remaining 75% of the project company upon completion of the development.

4. As soon as the construction of this project starts (when the permit has been obtained), the Company will purchase 25% of the project company and possibly pre-finance the project. The Company will acquire the remaining 75% of the project company upon completion of the development.

Development and conversion projects are associated with various risks. These include specific situations when the necessary permits to erect or convert a building are not granted (see also Risk Factor 2.2.3 of this Prospectus) or contested, the project is delayed or cannot be executed (resulting in reduced, delayed or lost rental income) or the budget is exceeded due to unforeseen costs. The Company estimates the probability of the risk of delays or cost overruns as "average" and also estimates the potential impact as "average". A building conversion takes about two years on average (including the planning permission period). After the necessary permits are obtained, office building conversion work can only start once the rental agreements with the office tenants have come to an end. The terms of these rental agreements may not correspond to the final permit process: the rental agreements may expire too early – resulting in vacancy – or they may expire too late – meaning that the work cannot start immediately after the permit is obtained. If there is a delay in obtaining the permit or carrying out the work, this will result in a proportionate delay of the budgeted rental income and, if the start of an academic year is missed, in a more difficult first rental season.

The Company bears the construction risk for projects representing 4.70% of the total portfolio including the investment pipeline as at 31 December 2020, and the permit risk for projects representing 1.80% of the total portfolio including the investment pipeline as at 31 December 2020.

#### 2.2.3 Risks associated with (the rejection or delay of) permits and other authorisations and the requirements to be met by the property

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. In addition, specific regulatory requirements may be imposed on all properties and in particular in the student housing segment (from which the Company generated 96.36% of its gross rental income as at 31 December 2020) and/or residential property (for example in terms of living comfort or (fire) safety), local differences and their interpretation and/or application may also depend on the authorities involved (which, in student cities, often have their own policy with regard to controlling the supply and monitoring the quality of student housing), which may be an uncertain factor in meeting such regulatory requirements, which are often very local, detailed and technical.

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. The Company thinks that it is unlikely that the Company would not be able to obtain the required permits or meet the conditions of the permits or other regulations, but if this does occur, the potential impact could be material. In this case, the Company's property may be the subject of regularisation procedures or even a reorientation to another purpose or use, which may be accompanied by adjustment works, may involve additional conversion costs and may also restrict the building's letting potential (and the resulting revenues) due to environmental risks (such as historical soil contamination and the (former) presence of high-risk organisations and/or high-risk operations) and environment-related procedures, which may take a lot of time and result in investigation costs and/or other costs. 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. Not obtaining any permits may also mean that redevelopment is not possible and the properties concerned have to be sold, possibly at a significantly lower value, depending on the existing building and/or the development potential that has already been permitted or can be permitted. The Company sees the risk of not obtaining any permits as low, but the potential impact would be high in that case.

#### 2.2.4 Risks associated with the execution of maintenance work and repairs

The Company regularly carries out maintenance work to all properties in its portfolio in order to keep the properties and their contents (the rooms are almost always furnished) in good condition and finished to a proper standard. The average age of the properties in the Company's portfolio is 4 years, and the cost of such maintenance in 2020 was approximately EUR 1,970,228, which is 0.13% of the portfolio's Fair Value and 3.4% of the gross rental income.

As the real estate in the portfolio gets older, the Company will be obliged to carry out important and/or structural renovations and investment programmes due to the buildings' ageing or wear and tear (due to normal, structural and technical ageing) and the buildings' contents, or as a result of damage to the buildings or the contents. There is also the risk that the buildings will not, or will no longer, comply with increasing (statutory or commercial) requirements in areas such as living comfort, fire safety and sustainable development (energy performance and so on), and need to be adapted accordingly (see also Risk Factor 2.2.3 of this Prospectus). These works may lead to substantial costs and may temporarily prevent the rental of (part of) the property in question, which may have a negative effect on the Company's income. Taking into account the relatively low average age of the buildings in the Company's portfolio, the Company sees the risk described in the previous paragraph as "low", and the impact if it does happen as "moderate to high".

For a detailed description of the Company's activities in this regard, please refer to Chapter 4.1.3 of the Annual Financial Report 2019, which is included by reference in this Prospectus (see Chapter 4.11 of this Prospectus). With regard to the processing of these costs, please refer to Chapter 10.6.9 of the consolidated financial statements 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) included in the F-Pages of this Prospectus.

2.2.5 Risks associated with short-stay operations (the ROXI concept)

The Company owns two properties in Brussels and Ghent that are (fully or partially) operated in accordance with the Company's ROXI concept (approximately 1.5% of the gross rental income as at 31 December 2020).

The activities of the ROXI concept (which focuses on both long and short stay and is therefore a more hybrid housing concept with effortlessly overlapping home, life, study and/or work aspects in response to the growing trend of co-living by young professionals, millennials and expats described in detail in Chapter 9.4.4 (p. 201-202) of the Annual Financial Report 2019, which presented this concept in terms of short-stay and longer-stay rentals, including hostel operations) are associated with specific risks, such as a higher risk of vacancy due to the short-term nature of this type of operation (which means that this type of property is more susceptible to brief shocks in demand as those caused by the COVID-19 crisis), competition from other players such as the hotel industry, more intensive operational follow-up and more specific regulations. These ROXI concept properties were in the full start-up phase when the COVID-19 crisis hit, and had part of the relevant rental income covered by rental guarantees and fixed rentals. If ROXI Brussels, for example, had continued to perform at the same rate as in the first three months after opening (right before the COVID-19 crisis hit), it would have exceeded the financial expectations (as covered by the rental guarantee) by about 50%, but this has not been the case now. This potential success has therefore been lost due to the COVID-19 crisis. During periods when international tourism, business trips and non-essential travel (for example by researchers, scientists, professors and parents of foreign students) are banned or severely reduced, it can be expected that the occupancy rate of the rooms operated under this concept falls sharply or goes down to zero.

The Company is less familiar with this type of property and therefore only invests in the ROXI concept if it suits its strategy (for example to complement regular student housing in order to offer the right property mix in its range).

## 2.3. Operational risks

2.3.1 Risks associated with the inability to conclude leases and have leases executed (in particular risks associated with the impact of changes to the Dutch Housing Valuation System), vacancy 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 date of current rental agreements, including the additional risk of non-rental or re-rental. The short-term nature of the rental agreements the Company concludes with students, which tends to be less than one year, is generally inherent to the student housing sector (from which the Company generated 96.38% of its gross rental income as of 31 December 2020). When tenants leave, new rental agreements may result in a lower rental income than the current rental income (for example because of an oversupply of student accommodation, see also Risk Factor 2.1.1 of this Prospectus), and it may not be possible to reduce the rental-related expenses in line with the lower rental income.

In certain countries where the Company operates, a number of additional factors may have a significant impact on this risk:

- In the Netherlands (where the Company generated 59.02% of its rental income and the real estate represented 65% of the Fair Value of the total real estate portfolio as at 31 December 2020), campus contracts (which are contracts based on the tenant's qualification as a student) must be terminated when the studies end (and the student has to leave the room within a six-month period), and contracts may also be terminated with a one-month notice period (for the tenant).

  The Dutch government also applies the Housing Assessment System ("woningwaarderingsstelsel" or WWS) to regulate the price level of the "social" rental market (in contrast to the deregulated rental market, where no rent level restrictions apply). In order to determine whether a property qualifies for a liberalised rent (and the landlord is therefore free to determine the rent), the theoretical rent calculated in accordance with the WWS must be above a certain level (the "rent liberalisation limit", which is set at EUR 752.33 for 2021), which makes this system relevant to liberalised renting as well, since a tenant of a "liberalised" dwelling is also entitled, if they are of the opinion that the theoretical rent value is below this limit, to have the tenancy commission rule on this (as at the date of this Prospectus, the rent of 80% (by number of units) of the Dutch portfolio will be capped under the WWS).

  This WWS includes the so-called "points system". A property is valued based on a series of characteristics (such as surface area, quality, location and energy performance), which are given a score. In the end, the total score determines the rental value, which is the maximum rent for the residence. Certain elements in the calculation can be measured completely objectively, but some elements require subjective assessment or are open to interpretation. If it is observed that the landlord did not comply with the points system (with rent exceeding the rental amount specified by the points calculation or because of a mistake in the points calculation that determines the rent), there is a risk that tenants seek redress from the tenancy commission for a price reduction and the retroactive recovery of any overpaid amounts. If a tenant succeeds in such a claim, there is also the risk that other tenants in similar circumstances can also make a claim. This risk materialises relatively often, but has a low impact as this tends to happen on a case-by-case basis. A legislative or general policy change in this points system or in its interpretation (due to legislative action, a policy change during enforcement or precedents set by the tenancy commission or the courts) may have a potentially significant negative impact on the Company's current and future rental income and on the valuation of the relevant property, as this would directly affect the property's expected rental flows and market value.

- For Spain and Portugal, it should be pointed out that the occupancy rate (for units let directly to students) comprises two distinct periods: first, the ten-month academic year during which leases almost exclusively cover the academic year and often cover an even shorter period (for foreign students participating in exchange programmes for one semester or on a monthly basis) and second, the two-month summer period, which is characterised by shorter leases (at higher rental prices). Summer rentals are often related to the demand for tourist or short-term rentals in the cities concerned. It has also become apparent that if there is a general decline in tourism demand and short-term rentals (such as hotels and apartments) as caused by the COVID-19 crisis, these players also compete in the market for short-term rentals to students, which leads to a fall in occupancy levels and market rents. On this basis, the Spanish and Portuguese student housing markets are therefore characterised by a higher "frictional vacancy rate" and a higher management overhead (frequent check-in and check-out, administrative processing, marketing efforts) than the Belgian and Dutch markets, and are more sensitive to the general economic situation and international mobility.

- The rental impact of the COVID-19 crisis may be relatively limited for now, but the Company points out that if the current situation of international travel restrictions or bans and lockdowns were to continue as we approach the summer, this could have far-reaching consequences for summer rentals (driven by tourism and summer courses) specifically in Iberia (which represents 17% of the Fair Value of the total real estate portfolio; see also Chapter 9.2.1.2 of this Prospectus) and, if this situation were to persist at the start of the next academic year and the vaccination strategy does not lead to a more or less normal start of lectures on campus at the start of the following academic year, this could have a material impact on the occupancy rate of the Company's properties in all affected countries and its expected market rentals there.

### 2.3.2 Risks associated with mergers, demergers or takeovers

In order to structure and grow its real estate portfolio, the Company has engaged in mergers, demergers and other takeover transactions in the past, and is expected to continue to do so in the future. By their very nature, such transactions transfer all the liabilities of the real estate companies concerned, including those that the Company may not have been able to reveal in the context of its due diligence investigations and those that the Company may not have been able to hedge with guarantees in the relevant takeover agreements. 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.

Since Xior's IPO in November 2015, the Fair Value of its property portfolio has increased from EUR 196,053,500 to EUR 1,555,779,417 as at 31 December 2020. From 1 January 2018 to 31 December 2020, the Fair Value of the property portfolio increased from EUR 488.8 million to EUR 1,555.8 million. This growth since the IPO is almost exclusively due to mergers and acquisition transactions (including acquisitions of real estate) (variations in the value of the real estate were only EUR -22.3 million over this period), as detailed in the overview included in sections 10.9.17 and 10.9.30 of the consolidated financial statements as at 31 December 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) as included in the F-Pages of this Prospectus.

### 2.3.3 Risks associated with disturbances caused by student tenants and resulting reputational damage

Because the Company mostly lets properties directly or indirectly to students (89.85% of the Fair Value of its portfolio and 96.38% of its gross rental income as at 31 December 2020), it is more at risk of receiving complaints about neighbour disturbances or nuisance and of being subjected to certain administrative or other measures for the buildings in its property portfolio (specifically compared with other real estate (sub-)sectors). Such complaints and measures may result in additional costs and reduced income both directly and indirectly (due to reputational damage, disruption of the relationship with the relevant authorities or the reduced lettability of the premises concerned). There is also an increased risk (compared to other real estate (sub-sectors) that tenants may engage in certain activities in the property in question that are 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.

As a result of the COVID-19 restrictions, lockdowns and social distancing restrictions, which were particularly hard on the student population, parties and gatherings had to be shut down several times a week at various Xior residences (and those run by other operators) at times when the toughest restrictions were in force, sometimes with the involvement of the police (who were usually called by Xior's own employees or its external security service). Such incidents with students always received a great deal of attention on social media. In the various student cities where Xior operates, this has led to several press articles and various interventions in consultation with the universities and local authorities in question that aimed to emphasise that these restrictions must be followed. It goes without saying that if such problems had become structural at a particular residence, the property could have been closed down by the local council, possibly resulting in loss of rental income and vacancy.

For more information on the Company's initiatives in this regard, please refer to the "Neighbours" section of Chapter 9.4.4 of the Annual Financial Report 2019, which is still applicable on the date of this Prospectus and is included by reference in this Prospectus (see Chapter 4.11 of this Prospectus).

#### 2.3.4 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 Company's student housing segment, this risk increases when leasing directly to students (which was the case for approximately 86.48% of the Company's student housing gross rental income as at 31 December 2020, which represented in turn 96.38% of its gross rental income as at 31 December 2020) and this risk decreases when leasing indirectly to students via housing organisations linked to a college or university (which was the case for approximately 12.71% of the Company's student housing gross rental income as at 31 December 2020). However, this also means that in the second case of indirect rental to students the counterparty risk is situated with one party only, whereas in the first case of direct rental to students the counterparty risk is spread. If tenants remain in default of their obligations towards the Company, there is a risk that the guarantee (covering one or two months' rent as the case may be) 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. In addition, the default of tenants and the follow-up of these debtors gives rise to additional internal and external costs (sending formal notices, summonses, legal costs).

Loss of rental income could also have a negative impact on the valuation of the property concerned (see Risk Factor 2.2.1 of this Prospectus), and may increase following specific events (such as the COVID-19 pandemic).

On the date of this Prospectus, EUR 724,848 in provisions for doubtful debts had been set up. This makes up 1.29% of the gross rental income (excluding rental guarantees). In 2020, the external collection costs with regard to defaulting tenants was approximately EUR°79,000 compared to EUR°56,000 the previous year (an increase of 41%), and it is expected that these costs will increase significantly in 2021 when the current procedures will continue and any further escalation will also result in higher external costs. In 2020, the team monitoring collections and following up on the measures to be taken also expanded internally by one FTE in Belgium and by one FTE in the Netherlands.

The government restrictions to protect the health of citizens and slow down the spread of the virus may also encourage certain tenants to file claims against the Company. In this context, please refer to Chapter 10.9.36 of the consolidated financial statements 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) included in the F-Pages of this Prospectus concerning a claim filed by some tenants in Spain about certain rent payments (roughly totalling EUR°275,000 if all claims continue).

#### 2.3.5 Risks associated with (the inability to pay) dividends

Pursuant to the Legislation on Regulated Real Estate Companies and Article 34 of the Company's Articles of Association, the Company is subject to a distribution obligation of at least 80% (see also Chapter 6.6.1 of this Prospectus for more information).

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 7:212 of the Belgian Companies and Associations Code and the Legislation on Regulated Real Estate Companies. In view of the fact that the Company had limited or no reserves at the time of its inception (recognition as a regulated real estate company and IPO) and could only slowly build these reserves because of the above-mentioned mandatory distribution (it accrued KEUR 45,199 in distributable reserves since 2015, taking into account the 2020 profit appropriation), a decrease in the fair value of the investment property or a decrease in the fair value of hedging instruments may lead to the Company's inability to distribute a dividend despite the positive operating result. As at 31 December 2020, a decrease of 17.07% (or EUR°266 million) in the Fair Value of the property portfolio would have resulted in a debt ratio limit of 65%, which would have resulted in no dividend being paid.

### 2.4. Financial risks

#### 2.4.1 Risks associated with financing – exceeding the debt ratio

As at 31 December 2020, the Company's consolidated debt ratio was 54.18% and the statutory debt ratio was 50.86%.

Taking into account the acquisitions after 31 December 2020, it can be concluded that the Company has a consolidated debt capacity of EUR°493 million before reaching the statutory maximum consolidated debt ratio of 65% for RRECs and of EUR°228 million before reaching the consolidated debt ratio of 60% imposed in the Company's financing contracts with financial institutions. The value of the property portfolio also has an impact on the debt ratio. Taking into account the value of the property portfolio as at 31 December 2020 and the investments after 31 December 2020 until the date of this Prospectus[9], the maximum consolidated debt ratio of 65% would only be exceeded if the value of the property portfolio were to fall by approximately EUR 266 million, which is 17.07% of the property portfolio's pro forma value of EUR 1,564 million on the date of this Prospectus. If the value fell by about EUR 153 million, which is 9.80% of the value of the property portfolio on the date of this Prospectus, the 60% consolidated debt ratio threshold would be exceeded. As the statutory debt ratio is less sensitive to both additional investments and property impairment, the relevant thresholds are higher and the consolidated debt ratio is more of a restrictive factor in that respect.

Failure to comply with the financial parameters could result in: (i) sanctions, for example the loss of RREC status (see also Risk Factor 2.5.1 of this Prospectus) and/or stricter supervision by the relevant supervisory authority/authorities if legal financial parameters (such as the maximum debt ratio of 65%) are exceeded; or (ii) termination of financing agreements, renegotiation of financing agreements, mandatory early repayment of outstanding amounts, and less trust between the Company and investors and/or between the Company and financial institutions in the event of non-compliance with contractual agreements (for example after exceeding the conventional debt ratio maximum of 60% due to a change in the verification or non-compliance with the negative pledge provisions), which in turn could lead to less liquidity (see also Risk Factor 2.4.2 of this Prospectus) and to difficulties with the continuation of the growth strategy.

2.4.2 <u>Risks associated with financing agreements (including compliance with covenants) – liquidity</u>

As at 31 December 2020, the Company has confirmed credit lines for EUR 921 million, of which EUR 100 million has not yet been drawn down, and the Company's debt ratio was 54.18%. On the date of this Prospectus, the Company has confirmed credit lines for EUR°921 million, of which EUR°94 million has not yet been drawn down. For the repayment dates and the diversification of these debts, please refer to section 10.9.23 of the consolidated financial statements 2020 included in the F-Pages of this Prospectus which contains this information, and to Chapter 5.3.1 of the Annual Financial Report 2019.

Should the Company violate the provisions (covenants) of its financing agreements, the credit lines may be cancelled or renegotiated, or the Company may be forced to repay them. The agreements in force are broadly in line with the market. One of their requirements is that the debt ratio (as defined in the Royal Decree on Regulated Real Estate Companies) does not exceed 60% (see also Risk Factor 2.4.1 of this Prospectus). There is also a risk of early termination in case of a change of Company control, in case of non-compliance with the negative pledge clause or other Company covenants and obligations and, more generally, in case of default as defined in these financing agreements. Pursuant to so-called "cross acceleration" or "cross default" provisions, an event of default (noting that certain instances of "default" or breach of covenants – such as a change of control – included in all financing agreements are beyond the Company's control) under one financing agreement may also lead to defaults under other financing agreements (regardless of any waivers granted by other lenders in the case of a "cross default" provision) and may therefore force the Company to repay all these credit lines early. See also Chapter 10.9.23 of the consolidated financial statements 2020 included in the F-Pages of this Prospectus.

On the date of this Prospectus, the Company has EUR 107.7 million in investment commitments for a twelve-month period from the date of this Prospectus, only taking into account the commitments the Company made on the date of this Prospectus for announced and/or completed takeovers, development projects and conversion projects. The Company is therefore exposed to a liquidity risk if its financing agreements, including the existing lines of credit, are not renewed, not renewed on time or terminated. If the Company were exposed to a liquidity problem, it could be forced to sell some of its assets in the worst-case scenario.

[9] See Chapter 9.1.3.2 of this Prospectus.

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

As a result of (significant) debt financing (the debt ratio as at 31 December 2020 was 54.18% and the nominal outstanding debt as at 31 December 2020 was EUR°821 million), the Company's return depends on the 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 (77% hedging ratio[10] as at 31 December 2020).

The fair value of the hedging instruments is determined by the interest rates on the financial markets. The changes in the market interest rates partly explain the change in the fair value of the hedging instruments between 1 January 2020 and 31 December 2020, which meant that an expense of EUR 8,837,395 was included in the Company's income statement.

The sensitivity of the mark-to-market value of hedging instruments in the profit and loss account is estimated in case of an interest rate increase of 20 basis points at approximately EUR 5,332,989. An interest rate fall of 20 basis points would have a negative effect on the profit and loss account of the same magnitude. See also note 10.9.23 to the consolidated financial statements 2020 included in the F-Pages of this Prospectus.

As at 31 December 2020, the effect of the accumulated changes in the fair value of the Company's hedging instruments on the net asset value per share was EUR 0.31.

For example, if the Euribor rate falls, there will be a negative adjustment of the market value of these instruments (the variation in this market value was 0.82% between Q3 and Q4 2020). 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.

## 2.5. Regulatory and other risks

### 2.5.1 Risks associated with the status of a Public RREC and the applicable taxation

As a Public RREC, the Company is subject to the Legislation on Regulated Real Estate Companies, which includes special obligations (on a consolidated or non-consolidated basis) for its activities, debt ratio, appropriation of results (see Chapter 6.6.1 of this Prospectus with respect to the mandatory 80% distribution ratio), conflicts of interest and corporate governance. The (continued) compliance with these specific requirements depends on several factors such as 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 financial situation or for other reasons. The Company could end up losing its RREC status that way.

If the Company were to lose its RREC licence, it would no longer benefit from the special tax regime for RRECs (see Article 185*bis* of the Income Tax Code 1992). This would have several repercussions, with one being that the Company's rental income currently exempt from corporation tax would then become subject to corporation tax, for example. Moreover, the Company's credit agreements generally regard the loss of the RREC licence as an event that could lead to its loans becoming payable early (possibly as a result of so-called "acceleration" or "cross default" provisions included in the credit agreements – see also Risk Factor 2.4.2 of this Prospectus). Such an early claim would jeopardise the Company's continued existence in its current form with its current property portfolio.

However, Company subsidiaries that are not licensed as a RREC or specialised real estate investment fund may remain subject to corporation tax like any other companies, and the Company may also be subject to local taxes for any real estate abroad directly owned by the Company. The operations of the Company's subsidiaries in the Netherlands (61.46% of the net rental income as at 31 December 2020) and in Spain and Portugal (together 12.03% of the net

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[10] Amount of credit with a fixed or hedged variable interest rate/total amount of credit.

rental income as at 31 December 2020) are subject to local corporation tax. There is also a risk that the result (in particular the profit calculation and cost allocation and/or the applied transfer pricing mechanisms) and/or the tax base (including provisions for (deferred) taxes) in those countries are to be calculated differently from how they are calculated today or that the interpretation or practical application of the underlying rules changes. The applicable tax regime and rates may also change. This could lead to a higher tax burden for these activities, or to discussions and procedures with the competent tax authorities, which could give rise to procedural costs, penalties and interest on arrears in addition to any taxes due. The ultimate consequence of this could be that fewer dividends flow to the Company and fewer dividends can therefore be distributed to the Company's shareholders.

## 2.6. Risks associated with the Offer and the New Shares

### 2.6.1 Risks associated with the New Shares, Priority Allocation Rights or Scrips

#### *2.6.1.1 Fluctuations in the stock market price of the Shares*

Certain changes, developments (such as the occurrence of one of the Risk Factors described in this Prospectus) or publications about the Company may have a material impact on the price of the Shares. Certain political, economic, monetary, financial and/or health-related factors beyond the Company's control may also lead to significant volume and price fluctuations on the stock market (including, but not limited to, the COVID-19 pandemic), or changes in the tax regime that applies to the Company (see Risk Factor 2.5.1 of this Prospectus). Such volatility can have a significant effect on the stock market price of the Shares for reasons not necessarily related to the Company's operating result.

The price of the Shares may fall below the Issue Price. Consequently, the Issue Price must not in any way be considered indicative for the Shares' market price after the Offer. Moreover, if the price of the Shares were to fall during the Subscription Period, the value of the Priority Allocation Rights would probably also fall. Existing Shareholders who do not wish to exercise their Priority Allocation Rights may not be able to sell them on the market.

#### *2.6.1.2 Possibility of future dilution for Shareholders*

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

In the event of a capital increase by means of a contribution in cash, the Company can perform a transaction that (i) retains the statutory pre-emptive rights of the existing Shareholders, (ii) cancels the statutory pre-emptive rights of the existing Shareholders and gives them priority allocation rights instead, or (iii) launches an accelerated bookbuild offering in which the statutory pre-emptive rights of the existing Shareholders are cancelled and no priority allocation rights are offered to them instead. See Chapter 6.6.3 of this Prospectus for more information. Should the Company decide in the future to increase its capital by significant amounts by means of a contribution in cash as set out under (iii) above, this will dilute the existing Shareholders' participation. Should the Company decide in the future to increase its capital by significant amounts by means of a contribution in cash as set out under (i) or (ii) above, such a transaction could lead to a dilution of the participating interest of existing Shareholders who are not exercising their statutory pre-emptive rights or priority allocation rights at that time.

In addition, the Company's direct or indirect acquisition of new assets by means of contributions in kind (Shareholders do not have statutory pre-emptive rights or priority allocation rights in the event of a capital increase by means of a contribution in kind, see Chapter 6.6.3 of this Prospectus for more information) or via mergers, demergers or partial demergers may also lead to a dilution of the Shareholders' participating interest in the Company.

Since Xior is a RREC, which by nature requires a steady flow of capital to continue and grow its operations, it has increased its capital (excluding the issue premium) several times since its IPO, which ended on 11 December 2015, as set out in section 10.9.17 of the consolidated financial statements as at 31 December 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) as included in the F-Pages of this Prospectus.

Shareholders who held 1% of the Company's capital on 11 December 2015 and who never exercised their priority allocation rights or participated in optional dividends would only own 0.22% of the Company's capital on the date of this Prospectus. Shareholders who held 1% of the Company's capital on 11 December 2015, but who have always exercised all of their priority allocation rights and have always participated fully in all optional dividends would hold only 0.67% of the Company's capital as at the date of this Prospectus pursuant to contributions in kind, mergers and accelerated bookbuild offerings.

##### *2.6.1.3 Future dividends paid by the Company and/or the dividend yield on the Shares may be lower than past payments*

Pursuant to the Legislation on Regulated Real Estate Companies, the Company must pay at least 80% of an amount that corresponds to the "cash flow" (excluding the changes in value of the investment property and certain other non-cash items included in the net result) as payment for the capital (see Chapter 6.6.1 of this Prospectus for more information). Such an amount is calculated in accordance with Article 13 of the Royal Decree on Regulated Real Estate Companies.

The level of future dividends will be based on the distributable profits, which may vary from time to time. Historical dividend distributions and dividend yields do not necessarily reflect any future dividend distributions and/or dividend yield for the Shares. The fact that the Company was able to maintain or increase its dividend per Share in the past does not mean that it will also be able to do so in the future.

The Company's inability to maintain or increase the dividend per Share may (i) affect the expectations of the stock market and lead to a fall in the Share's market price, and (ii) make it difficult to access debt financing and/or capital and ultimately lead to reduced liquidity for the Company (see also Risk Factor 2.4.2 of this Prospectus).

##### *2.6.1.4 Low liquidity of the Priority Allocation Rights and/or insufficient demand for the Scrips*

In the context of the Offer, the Company has applied for admission to trading of the Priority Allocation Rights on the Euronext Brussels regulated market during the entire Subscription Period.

Based on the Share's closing price on the Euronext Brussels regulated market on 23 February 2021 (which was EUR 48.40), adjusted to take into account the estimated value of coupons no. 16[11] and 17[12] to be detached on 24 February 2021 (after the end of trading), or EUR 48.00 after this adjustment, the theoretical ex-rights price (or TERP) is EUR 47.08 and the theoretical value of a Priority Allocation Right is EUR 0.92 (see also Chapter 8.3 of this Prospectus).

Any liquidity on the market for Priority Allocation Rights may be particularly limited or may not develop at all, holders of Priority Allocation Rights may find it difficult to sell their Priority Allocation Rights and this may have a negative impact on the stock market price of the Priority Allocation Rights. The stock market price of the Priority Allocation Rights depends on several factors, including but not limited to the performance of the Share price, and can also be subject to

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[11] If the proposed gross dividend for the financial year 2020 is approved at the Annual General Meeting of 20 May 2021, coupon no. 16, which refers to the gross dividend for the financial year 2020 for the period starting from 25 November 2020 up to and including 31 December 2020, will represent EUR 0.1375 (see Chapter 6.6.1.2 of this Prospectus for more information).
[12] The Company's Board of Directors estimates the gross dividend for the financial year 2021 at EUR 1.44 per share (see also Chapters 6.6.1 and 9.2.2 of this Prospectus). As a result, the Company's Board of Directors estimates coupon no. 17, which represents the right to the proportionate gross dividend for the current financial year 2021 for the period from 1 January 2021 (inclusive) up to and including 8 March 2021, at EUR 0.2643 per Share. Of course, these estimates are subject to the results of the financial year 2021 and the approval of the Ordinary General Meeting, which will decide on the dividend to be paid with respect to the financial year 2021.

significantly higher price fluctuations than the Shares. The sale price of a Priority Allocation Right could therefore be substantially lower than the theoretical value of EUR°0.92.

If Priority Allocation Rights have not been exercised (or been qualified as such) when the Euronext Brussels regulated market closes on the last day of the Subscription Period, as explained further in Chapters 8.1.4 and 8.1.8 of this Prospectus, they become invalid and can no longer be exercised by their holders. Such non-exercised Priority Allocation Rights (or Priority Allocation Rights that have been qualified as such) will be offered for sale to investors in the form of Scrips in a Private Placement of Scrips, as described in detail in Chapter 8.1.4 of this Prospectus.

It is possible that not all Scrips are sold or that in fact none are sold during the Private Placement of Scrips. The resulting net return may also be lower than the theoretical value of a Priority Allocation Right of EUR°0.92. If the Excess Amount divided by the total number of Scrips is less than EUR 0.01 per Scrip (see Chapter 8.1.4 of this Prospectus), or if the Offer is withdrawn (see also Risk Factor 2.6.2.1 of this Prospectus), the holders of coupon no. 18 will not be entitled to any payment and the Excess Amount will be transferred to the Company.

### 2.6.2 Risks associated with the Offer

#### *2.6.2.1 Withdrawal of the Offer*

The Company reserves the right to withdraw or suspend the Offer before, during or after the Subscription Period if (i) no Underwriting Agreement is signed or an event takes place that allows the Underwriters to terminate their commitment under the Underwriting Agreement (see also Chapter 8.4.3 of this Prospectus), provided that such an event is likely to significantly and adversely affect the success of the Offer or the trading of the New Shares on the secondary market, (ii) Aloxe NV, Mr Christian Teunissen and/or Mr Frederik Snauwaert directly or indirectly, individually, jointly or in cooperation hold more than 30% of the Company's voting securities immediately after the capital increase (see also Chapters 8.2.2 and 8.2.3 of this Prospectus on the irrevocable and unconditional subscription commitment of the Company's main shareholder, Aloxe NV, and the intentions of the members of the Company's board of directors and management team) and/or (iii) there is no confirmation of the admission of the Priority Allocation Rights and the New Shares to trading on the Euronext Brussels regulated market after their respective detachment or issue.

Following the decision to withdraw the Offer, subscriptions to New Shares will automatically expire and have no effect. The Priority 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 Priority Allocation Rights (or Scrips) on the secondary market. Investors who bought such Priority Allocation Rights (or Scrips) on the secondary market will consequently suffer a loss, as the trading in Priority Allocation Rights (or Scrips) will not be cancelled when the Offer is withdrawn.

#### *2.6.2.2 No minimum amount for the Offer*

No minimum amount has been 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 178,894,740.00.

As described in Chapter 5.2 of this Prospectus, the financial resources available to the Company after the Offer and the allocation of the Offer's proceeds as described in Chapter 5.2 of this Prospectus may be lower and not sufficient to allow the Company to make the investments described in Chapter 5.2 of this Prospectus and/or the Company may have to resort to (i) additional debt financing, which would entail various additional funding costs such as interest and other charges and would further increase the Company's debt ratio, (ii) an increase of its capital by means of contributions in cash, which would entail various transaction fees such as legal fees, costs related to the underwriting and other charges and which, depending on how such contributions in cash are made (with a private placement subject to and in compliance with the requirements of Article 26, Section 1(3) of the Law on Regulated Real Estate Companies or with a public offering with statutory pre-emptive rights or priority allocation rights (see also Chapter 6.6.3 of this Prospectus)), could also lead to a dilution of existing Shareholders' participating interest, (iii) an increase of its capital through real estate contributions in kind, which would entail various additional costs such as legal fees and other expenses, and would lead to a dilution of existing Shareholders' participating interest, or (iv) in a worst-case scenario, a divestment of the assets held by the Company ("asset rotation"), which could have a negative effect on the Company's results and earnings per Share in the longer term. In that case, it is also possible that such alternative means of financing are not the most favourable.

#### *2.6.2.3 Withdrawal of the subscription orders*

Subscription orders for the New Shares are binding and cannot be withdrawn. However, if a supplement to this Prospectus is published (see Chapter 4.4 of this Prospectus), subscription orders may be withdrawn on condition that a significant new factor, material error or material inaccuracy as referred to in Article 23.1 of the Prospectus Regulation occurred or was observed before the end of the Subscription Period. Such withdrawal must take place within the period provided in the supplement to this Prospectus, and must never happen sooner than two working days from the supplement's publication date.

Subscribers who withdraw their subscription in accordance with the above will receive a refund of any Issue Price already paid. Any Priority Allocation Right or Scrip for which a subscription is withdrawn after the publication of a supplement to this Prospectus in accordance with the Prospectus Regulation will be considered as not exercised in the context of the Offer. Holders of such Priority Allocation Rights that have not been exercised can share in the Excess Amount as the case may be. However, subscribers who in such a case withdraw their order after the end of the Subscription Period will not be able to share in any Excess Amount and will therefore not be compensated in any other way. This also applies to the purchase price (and any related expenses or taxes) paid to acquire or exercise the Priority Allocation Rights, as the Priority Allocation Rights associated with these subscription orders cannot be offered within the Private Placement of Scrips.

# 3. GENERAL INFORMATION

## 3.1. FSMA approval

The Belgian Financial Services and Markets Authority (FSMA) approved the Dutch version of this Prospectus (including the Summary) in accordance with Article 20 of the Prospectus Regulation on 24 February 2021.

That approval must not be interpreted as an approval of the issuer nor as an approval of the quality of the securities to which this Prospectus relates. Investors should decide for themselves whether it is appropriate to invest in the securities.

The FSMA only approves (the Dutch version of) this Prospectus if the Prospectus Regulation's standards of completeness, comprehensibility and consistency have been met.

This Prospectus has been written as a simplified prospectus in accordance with Article 14 and Article 6.3 of the Prospectus Regulation.

This Prospectus was written in Dutch and translated into English and French. The Summary was written in Dutch and translated into English and French. The Company is responsible for ensuring that the English version of this Prospectus and the French and English translations of the Summary correspond with the approved Dutch version of this Prospectus and the Dutch version of the Summary, respectively. Without prejudice to the Company's responsibility for the translation of this Prospectus, the language version approved by the FSMA (which is the Dutch version) will prevail in case of any differences between the various versions. If there is any discrepancy between this Prospectus and the Summary, this Prospectus will take precedence over the Summary.

## 3.2. Advance warning

This Prospectus has been drawn up to describe the conditions of the Offer. Potential investors are invited to use the information in this Prospectus (including any information included by reference) to form their own opinions on the Company, the New Shares, the Priority Allocation Rights, the Scrips, the terms of the Offer, the opportunity to invest in the New Shares, Priority Allocation Rights and Scrips, and the accompanying risks.

The summaries and descriptions of statutory, legal and other provisions included in this 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, Priority Allocation Rights or Scrips.

In case of any doubt on the content or meaning of information included in this 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, Priority 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, Priority Allocation Rights or Scrips.

## 3.3. Consolidated information

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

On the date of this Prospectus, the Company has eight Belgian subsidiaries: Stubis BV (100%), Stratos KVK NV (100%), Xior Campus Hasselt NV (100%), Patrimmonia Couronne-Franck NV (100%), Voskenslaan NV (100%), Docks Gent BV (100%), Invest Drève St. Pierre NV (50%) and XL Fund NV (90%), which in turn has three Belgian subsidiaries: H. Savelkoul & C° NV (100%), 6en30 NV (100%), Val Benoit Méchanique NV (100%) and two Dutch subsidiaries: XL NL 1 Coöperatie U.A. (100%) and XL NL 2 Coöperatie U.A. (100%), which in turn has one subsidiary: I Love VOLS (100%). Xior also has twelve Dutch subsidiaries: Xior Naritaweg B.V. (100%), Xior Rotsoord Utrecht B.V. (100%), All-In Annadal B.V. (100%), Stubis NL B.V. (100%), which in turn has one subsidiary: Amstelveen Laan van Kronenburg 2 B.V. (100%), Leeuwarden Tesselschadestraat B.V. (100%), Xior Groningen B.V. (100%), Xior – Karspeldreef Amsterdam B.V. (100%), Xior Student Housing NL B.V. (100%), Xior Student Housing NL 2 B.V. (100%), Borgondo Facilities B.V. (100%), Stubis NL IV B.V. (100%) and Xior Zernike Coöperatie U.A. (100%), which in turn has one subsidiary: VBRE Groningen Opco B.V. (100%). The Company also has two Spanish subsidiaries: Xior Student Housing Spain S.L.U. (100%) and Xior Quality Student Housing S.L. (100%), which in turn has four subsidiaries: I Love Barcelona Campus Besos S.A. (100%), Minerva Student Housing S.L. (100%), Mosquera Directorship S.L. (80%) and Terra Directorship (100%). Finally, the Company has one Portuguese subsidiary: XSHPT Portugal S.A. (100%), which in turn has four subsidiaries: Promgranjo S.A. (50%), Uhub Investments Benfica S.L. (100%), Uhub Investments São João S.L. (100%) and Uhub Operations (85%).

## 3.4. Restrictions regarding the Offer and the distribution of this Prospectus

### 3.4.1 Potential investors

The issue of the New Shares will take place with the cancellation of the statutory pre-emptive right and with the granting of the Irreducible Allocation Right in favour of the Existing Shareholders.

The following can subscribe to the New Shares during the Subscription Period: holders of Priority Allocation Rights, regardless of whether they acquired the Priority Allocation Rights in their capacity as Existing Shareholders, in a purchase on the Euronext Brussels regulated market or in a private purchase.

After the Subscription Period, the Priority Allocation Rights that have not been exercised (or have been qualified as such) will be converted into Scrips and offered to Belgian and international institutional investors as part of the Private Placement of Scrips in the European Economic Area, the United Kingdom and Switzerland in accordance with Regulation S under the US Securities Act.

Prospective investors can subscribe to the New Shares in the manner set out in Chapter 8.1.4 of this Prospectus.

### 3.4.2 Countries where the Offer is available

The Offer consists of (i) a Public Offering of the New Shares in Belgium and (ii) the Private Placement of Scrips among Belgian and international institutional investors in the European Economic Area, the United Kingdom and Switzerland in accordance with Regulation S under the US Securities Act.

### 3.4.3 Restrictions applicable to the Offer

The distribution of this Prospectus and the offering, subscription, purchase or sale of the New Shares, Priority Allocation Rights and Scrips as described in this Prospectus may be restricted by statutory or regulatory provisions in some countries. All persons in possession of this Prospectus must enquire about the existence of such restrictions and must abide by them. Neither the Company nor the Underwriters may be held liable for any violation of such statutory or regulatory restrictions.

This 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 constitute a subscription offer or an invitation to make a purchase offer to anyone for whom – or in any countries where – such an offer or invitation is in violation of the current legislation or regulations. This Prospectus is in no way an offer or request for the subscription, purchase or sale of the New Shares, Priority Allocation Rights or Scrips in any countries where such an offer or request is unlawful or to any persons to whom such an offer or request is unlawful. This Prospectus must never be used for this purpose or in that context.

The New Shares, Priority Allocation Rights and Scrips have not been and will not be registered under the US Securities Act or with any other regulatory authority for securities of any state or any other jurisdiction in the United States. Accordingly, the New Shares, Priority Allocation Rights and Scrips may not be offered or sold in the United States without prior registration under the US Securities Act, except in reliance upon an exemption from or in a transaction not subject to the registration requirements under the US Securities Act and in accordance with any applicable securities laws of any state or any other jurisdiction in the United States. The New Shares, Priority Allocation Rights and Scrips have not been and will not be registered under the securities legislation of other jurisdictions, including Canada, Australia, Japan, South Africa or any other jurisdiction that requires the registration or qualification of the Shares. Accordingly, any transfer of New Shares, Priority Allocation Rights or Scrips must comply with the securities legislation of those other jurisdictions.

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

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

The persons who acquire the New Shares, Priority Allocation Rights or Scrips or who exercise Priority Allocation Rights outside Belgium are responsible for ensuring that the acquisition or exercise of their rights does not violate local legislation and regulations. Neither the Company nor the Underwriters have taken any action to allow the acquisition or exercise of New Shares or Priority Allocation Rights outside Belgium and will not take any action in this respect in the future. Neither the Company nor the Underwriters may be held liable for any violation of such statutory or regulatory restrictions.

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.

#### 3.4.4 Member States of the European Economic Area (except Belgium)

No offering of New Shares, Priority Allocation Rights or Scrips has been made or will be made to the public in a Member State of the European Economic Area ("**Member State**") other than Belgium without this Prospectus having been approved by the competent authority in that Member State or submitted to the competent authority in that Member State in accordance with Article 24 and following of the Prospectus Regulation and subsequently published in accordance with the Prospectus Regulation unless the Offer can be made in a Member State under one of the following exemptions provided by the Prospectus Regulation:

1. to qualified investors within the meaning of the Prospectus Regulation;

2. to fewer than 150 natural persons or legal entities that are not qualified investors as defined in the Prospectus Regulation; or

3. in all other cases referred to in Article 1.4 of the Prospectus Regulation;

and if such an Offer of New Shares, Priority 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 Regulation or a supplement to the prospectus in accordance with Article 23 of the Prospectus Regulation.

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 Priority Allocation Rights or the Scrips in order to enable investors to make a decision with regard to a subsequent purchase or subscription.

#### 3.4.5 United States

None of the Priority Allocation Rights, Scrips or New Shares have been or will be registered under the US Securities Act or under the securities law of any state or any other jurisdiction in the United States. Consequently, the Priority Allocation Rights, Scrips and New Shares will not be offered, exercised, issued, sold, pledged or transferred in the United States in any way, except in limited cases involving offers and sales of the New Shares pursuant to the exemption from the registration requirements of the US Securities Act as provided for by Section 4(a)(2) under the US Securities Act and in accordance with any applicable securities legislation of any state or any other jurisdiction of the United States.

Neither the US Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved the New Shares, Priority Allocation Rights or Scrips, or endorsed or commented on the merits of the Offer or the adequacy or accuracy of this Prospectus or any other offering materials. Any statement to the contrary is a criminal offence in the United States.

There will be no public offering of the Priority Allocation Rights, Scrips or New Shares in the United States.

The Company reserves the right, at its sole discretion, to issue New Shares to some of its Shareholders resident in the United States who are qualified institutional buyers ("**QIBs**") as defined in Rule 144A under the US Securities Act and also accredited investors ("**Accredited Investors**") as defined in Rule 501 of Regulation D under the US Securities Act pursuant to the exception provided by Section 4(a)(2) under the US Securities Act. The Company will only do this if the Shareholderresident in the United States has contacted the Company based on a "reverse inquiry" and has certified that they (i) are an existing Shareholder, (ii) are a QIB and an Accredited Investor and (iii) have agreed to certain transfer restrictions for New Shares by signing and providing a "QIB Investor Representation Letter" to the Company. The Priority Allocation Rights and the Scrips will not be offered in or to the United States (as defined in Regulation S under the US Securities Act).

Persons (including trustees and agents) who receive this Prospectus or the Summary must not distribute or make available this Prospectus or the Summary in the United States or to persons in the United States. Any persons in the United States who receive a copy of this Prospectus or the Summary and who are not a current Shareholder as well as a QIB and Accredited Investor must ignore the Prospectus or Summary.

In the United States, any offer, sale or transfer of New Shares within forty days of the Offer's closing by a dealer (regardless of whether the dealer has participated in the Offer) may be in violation of the registration requirements under the US Securities Act. Such an offer or sale must be based on a registration under the US Securities Act or be made in a transaction exempt from the registration requirements under the US Securities Act.

Investors resident in the United States should be aware that the acquisition, ownership and disposal of Priority Allocation Rights, Scrips or New Shares may have tax implications in the United States that are not described in this Prospectus. Consequently, such persons should consult their own tax advisers regarding the specific tax consequences specific to them of the acquisition, ownership and sale of Priority Allocation Rights, Scrips or New Shares for them.

The Company prepares its financial statements in accordance with IFRS, which differ in some material respects from the United States Generally Accepted Accounting Principles ("**US GAAP**"). As such, the Company's financial statements may not be comparable to those of US companies prepared in accordance with US GAAP.

#### 3.4.6 United Kingdom

The New Shares, Priority Allocation Rights and Scrips must not be offered, sold or advertised to the public in the United Kingdom and will not be listed on the London Stock Exchange (the "**LSE**") or any other stock exchange or regulated trading facility in the United Kingdom. This Prospectus does not take into account any requirements arising from the Prospectus (Amendments, etc.) (EU Exit) Regulations 2019 or the LSE Listing Regime and Obligations or the listing rules of any other regulated trading facility in the United Kingdom.

Neither this Prospectus nor any other offering document or publicity document relating to the Offer, Company, New Shares, Priority Allocation Rights and/or Scrips must be distributed or published in the United Kingdom, except in certain exceptional cases mentioned below. Neither this Prospectus, nor any other offering document or publicity document relating to the Offer, Company, New Shares, Priority Allocation Rights and/or Scrips have been submitted to or approved by any supervisory authority of the United Kingdom. This document will not be registered with the UK Financial Conduct Authority (**FCA**) and the Offer of New Shares will not be supervised by said authority.

The Company reserves the right, at its sole discretion, to issue New Shares to certain Shareholders resident in the United Kingdom pursuant to any non-real-time communication or any requested real-time communication, if there are reasonable grounds to believe that the recipient is a member of the Company in accordance with Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

The Private Placement of Scrips to persons within the United Kingdom can only take place with respect to (i) persons who are "investment professionals" as referred to in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended or (b) "high net worth companies, unincorporated associations, etc." within the meaning of Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended and (ii) all other persons to whom such investment or investment activity can be lawfully made available (together referred to as "**Relevant Persons**"). The Scrips are only available to Relevant Persons in the context of or as a result of the Private Placement of Scrips within the United Kingdom, and any invitation, offer or agreement to subscribe to, purchase or otherwise acquire these Scrips in this context can only be offered to and concluded with Relevant Persons. Persons who are not Relevant Persons must not base their actions on this Prospectus and its contents.

#### 3.4.7 Switzerland

The New Shares, Priority Allocation Rights and Scrips must not be offered, sold or advertised 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. This Prospectus was prepared without taking into account the disclosure requirements for issue prospectuses under Article 652a or Article 1156 of Part V ("*Droit des Obligations*") of the Swiss Civil Code or the disclosure requirements for listing prospectuses under Article 27 and following of the SIX Listing Rules or the listing rules of any other regulated trading facility in Switzerland.

Neither this Prospectus nor any other offering document or publicity document relating to the Offer, Company, New Shares, Priority Allocation Rights and/or Scrips may be distributed or published in Switzerland. Neither this Prospectus, nor any other offering document or publicity document relating to the Offer, Company, New Shares, Priority Allocation Rights and/or Scrips have been 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. The Offer is and will not be permitted under the Swiss Federal Act on Collective Investment Schemes, as amended (**CISA**) or under the Swiss Financial Services Act, as amended ("**FinSA**"). The investor protection provided to purchasers of interests in collective investment undertakings under CISA and/or FinSA does not extend to purchasers of New Shares, Priority Allocation Rights and/or Scrips.

The Private Placement of Scrips to persons in Switzerland can only take place if those persons qualify as "professional clients" in accordance with Articles 4 and 36 FinSA ("**Professional Clients**").

The New Shares, Priority Allocation Rights and Scrips are only available to Professional Clients in the context of or as a result of the Private Placement of Scrips within Switzerland, and any invitation, offer or agreement to subscribe to, purchase or otherwise acquire these New Shares, Priority Allocation Rights or Scrips in this context can only be offered to and concluded with Professional Clients. Persons who are not Professional Clients must not base their actions on this Prospectus and its contents.

### 3.4.8 Japan

The New Shares, Priority Allocation Rights or Scrips are not and will not be registered under the Japanese Financial Instruments and Exchange Law. This Prospectus does not offer any securities for sale or subscription either directly or indirectly in Japan, to or for the benefit of any residents of Japan (which refers to any persons resident in Japan, including any companies or legal entities under Japanese law) or to any other persons for direct or indirect repurchase or resale in Japan, to or for the benefit of any 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.

### 3.4.9 Canada, Australia and South Africa

This Prospectus must not be distributed or otherwise made available in Canada, Australia or South Africa, and the New Shares, Priority Allocation Rights and Scrips 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 securities legislation of the relevant jurisdiction.

## 4. INFORMATION ON RESPONSIBILITY FOR THE PROSPECTUS, THE RESTRICTION OF THIS RESPONSIBILITY AND GENERAL REMARKS

### 4.1. Party responsible for this Prospectus

The Company, with its registered office at Mechelsesteenweg 34, Box 108, 2018 Antwerp, Belgium and represented by its Board of Directors,[13] accepts responsibility for the Prospectus.

### 4.2. Statement by the party responsible for this Prospectus

The Company declares that, as far as it is aware, the information contained in this Prospectus is consistent with reality and no information has been omitted that would change the scope of this Prospectus when mentioned.

This 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, Priority 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 provide any rights to persons who are not potential investors. This Prospectus will be used solely in connection with the Offer.

The content of this Prospectus must not be construed as an interpretation of the Company's rights and obligations (except those governing the relationship between the Company and the investors subscribing to the Offer), the market practices or the agreements concluded by the Company.

As the Underwriting Agreement includes "soft underwriting" (see also Chapter 8.4 of this Prospectus), the Underwriters are entitled to use this Prospectus with a view to the final placement of the New Shares (provided that they comply with Article 23.3 of the Prospectus Regulation). The Company has not consented to the use of this Prospectus with a view to a subsequent resale of the Shares or their final placement by financial intermediaries.

### 4.3. No statements about the Offer that are not included in this Prospectus

No information should be provided or statements made regarding the Offer that are not included in this 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.

### 4.4. Supplement to this Prospectus

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

If any significant new factor, material error or material inaccuracy possibly affecting the assessment of the New Shares happens or is observed between the date of this Prospectus' approval and the closing date of the Subscription Period or, as the case may be, the start of trading of the New Shares on the Euronext Brussels regulated market if this happens after the end of the Subscription Period, this must be mentioned in a supplement to this Prospectus in accordance with European legislation (in particular Article 23 of the Prospectus Regulation). This supplement will be submitted for FSMA approval and will be published in the same way as this Prospectus (see Chapter 4.9.1 of this Prospectus). The publication of a supplement to this Prospectus may be accompanied by the publication of an amended calendar of the Offer.

If a supplement to this Prospectus is published as a result of a significant new factor, material error or material inaccuracy, investors who already agreed to subscribe to the Offer prior to the publication of the supplement to this Prospectus will be entitled to withdraw their subscription

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[13] For the composition of the Board of Directors, reference is made to Chapter 6.1.5 of the Annual Financial Report 2019. The composition has remained unchanged since then.

within at least two working days of the supplement's publication, provided that the significant new factor, material error or material inaccuracy occurs or is identified before the end of the Subscription Period or the Delivery Date, whichever happens first. The final date for this right of withdrawal will be stated in such a supplement to this Prospectus, if applicable.

Article 23.3 of the Prospectus Regulation states that when the New Shares, Priority Allocation Rights or Scrips are purchased or subscribed to via a financial intermediary, this financial intermediary must inform investors of the possibility of the publication of a supplement to this Prospectus, the place and time of this publication and the fact that the financial intermediary will assist investors to exercise their right to withdraw subscriptions in that case. Any supplement to this Prospectus will be published in the same way as this Prospectus (see Chapter 4.9.1 of this Prospectus).

### 4.5. 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 this Prospectus or with regard to the legality or opportunity of an investment in the New Shares, Priority Allocation Rights or Scrips. The Underwriters therefore do not accept any responsibility whatsoever with regard to the information included in this Prospectus.

This Prospectus does not include any commitment or statement 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 this 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 this Prospectus, and they must 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 this Prospectus.

### 4.6. Forward-looking statements

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

Some of these forward-looking statements, forecasts and estimates are characterised by the use of words such as: "believes", "thinks", "foresees", "anticipates", "searches", "would", "plans", "expects", "contemplates", "calculates", "can", "may", "will", "remains", "wishes", "understands", "intends", "has the intention", "trusts", "tries", "estimates", "thinks" and similar expressions or the use of the future tense. The information they refer to is not historical facts.

By their very nature, forward-looking statements are associated with inherent general and specific risks and uncertainties, and there is always a chance that forward-looking statements, forecasts, estimates and other projections for the future will not materialise. These risks, uncertainties and other factors include those mentioned in Chapter 2 of this Prospectus and those mentioned elsewhere in this Prospectus. Investors should be aware that a number of important factors may cause the Company's actual results to differ significantly from the plans, objectives, expectations, estimates and intentions in such forward-looking statements.

Such statements, forecasts 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 valuations.

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, forecasts or estimates. The factors possibly causing such differences include, but are not limited to those described in Chapter 2 of this Prospectus. Existing Shareholders and potential investors should not have too much confidence in such statements, forecasts and estimates. The statements, forecasts and estimates are also only valid on the date of this Prospectus 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 the Prospectus Regulation, in which case the Company will publish a supplement to this Prospectus.

### 4.7. Information from market analysts and other independent sources

Unless otherwise stated in this Prospectus, the information in this 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, this Prospectus refers to these independent sources.

The information provided by third parties (see also Chapter 10 of this Prospectus) has been properly incorporated and, as far as the Company is aware and has been able to ascertain from the information published by the relevant third party, no facts have been omitted that would make the information shown incorrect or misleading. The Company, the Underwriters and their respective counsellors have not independently verified this information. The market information is also subject to change and is not systematically verifiable with certainty due to the limited availability and reliability of the data underlying the 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, estimates and assumptions supported by such information may not be entirely accurate.

### 4.8. Rounding of financial and statistical information

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

### 4.9. Availability of this Prospectus and Company documents

#### 4.9.1 Availability of this Prospectus

This Prospectus and the Summary are available in Dutch and English. The Summary is also available in French. This Prospectus will be made available to investors free of charge from 25 February 2021 (before the start of trading) at the Company's registered office at Mechelsesteenweg 34, Box 108, 2018 Antwerp, Belgium. The Prospectus will also be available to investors free of charge at (i) Belfius Bank, upon request by phone on +32 (0)2 222 12 02 (NL) or +32 (0)2 222 12 01 (FR) and on its website www.belfius.be/xior2021 (NL and FR), (ii) ING Belgium, upon request by phone on +32 (0)2 464 60 01 (NL), +32 (0)2 464 60 02 (NL) 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), (iii) BNP Paribas Fortis, upon request by phone on *+32 (0)2 433 41 13 and on its websites www.bnpparibasfortis.be/sparenenbeleggen (NL) and www.bnpparibasfortis.be/epargneretplacer (FR)*, and (iv) KBC Securities, upon request by phone on *+32 (0)7 815 21 53 (NL), +32 (0)7 815 21 54 (FR) or +32 (0)7 835 31 37 (EN) and on its website www.kbc.be/xior (NL, FR and EN)*. From 25 February 2021 (before the start of trading), this Prospectus can also be consulted on the Company website (www.xior.be/kapitaalverhoging). Access to the above websites is always subject to the usual restrictions.

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

Other information on the Company website or any other website is not part of this Prospectus and has not been verified or approved by the FSMA (unless the information is included in this Prospectus by reference).

#### 4.9.2 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 Commercial Court of Antwerp (Antwerp division). A copy of the latest version of the Coordinated Articles of Association can also be consulted in the online database of the Royal Federation of Belgian Notaries (http://statuten.notaris.be). A copy of the latest version of the Coordinated 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 statutory and consolidated annual financial statements. 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 website, the communication channels of the Euronext Brussels regulated market or a combination of these media. The Company's web address is www.xior.be. Copies of these documents are also made available on STORI, the Belgian official mechanism for the storage of regulated information, which is managed by the FSMA. STORI can be accessed from stori.fsma.be or www.fsma.be.

### 4.10. Accountability for the auditing of the accounts

PwC Bedrijfsrevisoren / Réviseurs d'Entreprises, a private company incorporated under Belgian law with its registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, Belgium, 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 statements for the financial year ending 31 December 2017 will be decided. The Statutory Auditor, represented as mentioned above, was reappointed at the General Shareholders' Meeting of 17 May 2018 until the Ordinary Annual General Meeting's decision on the annual financial statements for the financial year ending 31 December 2020.

The audit of the Company's separate and consolidated annual financial statements for the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020 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 separate and condensed consolidated financial statements for the period ending 30 June 2020 have been subject to a limited review by the Statutory Auditor. The Statutory Auditor has issued an unqualified opinion on the annual financial statements for the last three financial years and the condensed financial statements for the period ending 30 June 2020.

The separate and consolidated financial statements for the financial years ending 31 December 2018 and 31 December 2019, the condensed financial statements for the period ending 30 June 2020, and the Statutory Auditor's reports on these can be consulted on the Company website. The separate and consolidated annual accounts for the financial years ending 31 December 2018 and 31 December 2019 can also be consulted on the website of the National Bank of Belgium's balance sheet office.

The consolidated financial statements for the financial year ending 31 December 2020 and the Statutory Auditor's report of 23 February 2021 on the consolidated financial statements ending 31 December 2020 have been included in the "financial pages" at the end of this Prospectus (the "**F-Pages**"). These annual financial statements will be submitted for approval at the Shareholders' Annual General Meeting that is scheduled for 20 May 2021. In this context, reference is also made to the Company's "Annual Communiqué – Publication of the Annual Results 2020" as published on 24 February 2021.

The Company confirms that it has obtained the approval of its Statutory Auditor for the inclusion of its report of 23 February 2021 on the consolidated financial statements ending 31 December 2020 in the F-Pages of this Prospectus.

### 4.11. Documents included by reference

In addition to the F-Pages, which are an integral part of this Prospectus, this Prospectus should be read and interpreted in conjunction with:

(i) The full Annual Communiqué – Publication of the annual results for the financial year 2020 (ending 31 December 2020) to be published on 24 February 2021 (Dutch version) – https://www.xior.be/kapitaalverhoging;

(ii) The Company's full half-yearly financial report for the six-month period ending 30 June 2020 (including the Company's condensed consolidated interim financial information for the first half of the financial year 2020 and the Statutory Auditor's report on this (limited review)) published on 5 August 2020 (Dutch version) – https://www.xior.be/kapitaalverhoging;

(iii) The below-mentioned sections of the Company's audited consolidated financial statements for the financial year ending 31 December 2019 – Xior Annual Financial Report 2019 (Dutch version) published on 22 April 2020 – https://www.xior.be/kapitaalverhoging:



(iv) The below-mentioned sections of the Company's audited consolidated financial statements for the financial year ending 31 December 2018 – Xior Annual Financial Report 2018 (Dutch version) published on 16 April 2019 – https://www.xior.be/kapitaalverhoging:

- Permanent document p. 287-312

(v) The following press releases:
- 7 October 2020: Xior announces acquisition of student residence "365 Rooms" in Brussels by means of a contribution in kind | Total investment value of approximately EUR 34 million for 323 units | Publication of new denominator – number of shares (Dutch version) – https://www.xior.be/kapitaalverhoging
- 7 October 2020: Intention of private placement of Xior Student Housing shares | Trade in Xior Student Housing shares suspended (Dutch version) – https://www.xior.be/kapitaalverhoging
- 7 October 2020: Successful placement of 332,701 Xior shares (Dutch version) – https://www.xior.be/kapitaalverhoging
- 23 October 2020: Interim announcement by the Board of Directors | Third quarter 2020 ending 30 September 2020 | Reconfirmation of 2020 profit and dividend forecast (Dutch version) – https://www.xior.be/kapitaalverhoging
- 25 November 2020: Disclosure of the new denominator under Article 15 of the Act of 2 May 2007 (the Transparency Act) (Dutch version) – https://www.xior.be/kapitaalverhoging
- 16 December 2020: Xior acquires part of skyline Groningen and achieves a portfolio of EUR 1 billion in the Netherlands | Zernike Toren offers 698 brand-new, up-and-running student units and instantly becomes Xior's biggest asset | Estimated total investment value of approximately EUR 91.5 million (Dutch version) – https://www.xior.be/kapitaalverhoging

(vi) The Company's Coordinated Articles of Association of 25 November 2020 (Dutch version) – https://www.xior.be/capitalincrease.

If information is not included by reference in the above list in this Prospectus, this means that the Company does not consider this information of significant importance to potential investors in order to make an informed investment decision.

These documents, which were filed with the FSMA, or if they were not included by reference in full, the listed information from these documents, are included in and are part of this Prospectus, provided that statements in documents that are included 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 included by reference in this Prospectus are available (free of charge) at the Company's registered office or on the Company 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.

# 5. KEY DATA

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

Belfius Bank and ING Belgium act as Joint Global Coordinators and Joint Bookrunners. BNP Paribas Fortis, ABN AMRO and KBC Securities are acting as Joint Bookrunners. Together with the Joint Global Coordinators and Joint Bookrunners, they are also the Underwriters for the Offer. The Underwriters will conclude an Underwriting Agreement with the Company under certain conditions (see Chapter 8.4.3).

In addition as of the date of this Prospectus:

- ING Belgium has entered into non-current credit agreements with the Company for a total amount of EUR°134.5 million (see Chapter 10.9.23 of the consolidated financial statements for the financial year ending 31 December 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) included in the F-Pages of this Prospectus for an overview of the Company's financial debt as at 31 December 2020 and Chapter 9.1.3.3. of this Prospectus for the update of the financing after 31 December 2020, up to the date of this Prospectus).
- ING Belgium has entered into contracts for hedging instruments with the Company for a total amount of EUR°125.0 million (see Chapter 10.9.23 of the consolidated financial statements for the financial year ending 31 December 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) included in the F-Pages of this Prospectus for an overview of the Company's financial debt as at 31 December 2020).
- Belfius Bank has entered into financing agreements with the Company for a total amount of EUR°120 million (see Chapter 10.9.23 of the consolidated financial statements for the financial year ending 31 December 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) included in the F-Pages of this Prospectus for an overview of the Company's financial debt as at 31 December 2020) and Chapter 9.1.3.3. of this Prospectus for the update of the financing after 31 December 2020, up to the date of this Prospectus).
- Belfius Bank has entered into contracts for hedging instruments with the Company for a total amount of EUR°145.4 million (see Chapter 10.9.23 of the consolidated financial statements for the financial year ending 31 December 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) included in the F-Pages of this Prospectus for an overview of the Company's financial debt as at 31 December 2020).
- KBC Bank has entered into financing agreements with the Company for a total amount of EUR°80 million (see Chapter 10.9.23 of the consolidated financial statements for the financial year ending 31 December 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) included in the F-Pages of this Prospectus for an overview of the Company's financial debt as at 31 December 2020) and Chapter 9.1.3.3. of this Prospectus for the update of the financing after 31 December 2020, up to the date of this Prospectus).
- KBC Bank has entered into contracts for hedging instruments with the Company for a total amount of EUR°45 million (see Chapter 10.9.23 of the consolidated financial statements for the financial year ending 31 December 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) included in the F-Pages of this Prospectus for an overview of the Company's financial debt as at 31 December 2020).
- BNP Paribas Fortis has entered into financing agreements with the Company for a total amount of EUR°125 million (see Chapter 10.9.23 of the consolidated financial statements for the financial year ending 31 December 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) included in the F-Pages of this Prospectus for an overview of the Company's financial debt as at 31 December 2020 and Chapter 9.1.3.3. of this Prospectus for the update of the financing after 31 December 2020, up to the date of this Prospectus).
- BNP Paribas Fortis has entered into contracts for hedging instruments with the Company for a total amount of EUR°50 million (see Chapter 10.9.23 of the consolidated financial statements for the financial year ending 31 December 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) included in the F-Pages of this Prospectus for an overview of the Company's financial debt as at 31 December 2020).
- ABN AMRO has entered into financing agreements with the Company for a total amount of EUR°60 million (see Chapter 10.9.23 of the consolidated financial statements for the financial year ending 31 December 2020 (to be submitted for approval at the

shareholders' meeting scheduled on 20 May 2021) included in the F-Pages of this Prospectus for an overview of the Company's financial debt as at 31 December 2020).

- 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.

The Underwriters will conclude an Underwriting Agreement with the Company subject to certain conditions (see Chapter 8.4.3 of this Prospectus) in the context of which they will receive a fee (see Chapter 8.8 of this Prospectus). The Underwriters' fee has been set at approximately EUR 2.7 million in case of a full subscription to the Offer, including a possible discretionary fee.

Xior's main shareholder, Aloxe NV, has irrevocably and unconditionally committed to subscribe to the Offer for 719,088 New Shares by exercising the Priority Allocation Rights associated with the Existing Shares that it now holds. Other than what is mentioned in Chapter 8.2.2 of this Prospectus, the Company has no information on whether or not the Existing Shareholders will subscribe to the Offer.

All members of the management team and the Company's Board of Directors holding Existing Shares in the Company have indicated that they will fully subscribe to the Offer in proportion to the Existing Shares they hold personally. Mr Bastiaan Grijpink (CIO and Country Manager Iberia of the Company) has also indicated that he was interested in purchasing additional Priority Allocation Rights on the Euronext Brussels regulated market or privately during the Subscription Period. See also Chapter 8.2.3 of this Prospectus for more information and Chapter 7.3.3 of this Prospectus for the number of Shares held by certain members of the Board of Directors and the management team.

## 5.2. <u>Reasons for the Offer and use of the proceeds</u>

**Use of the Offer's net proceeds**

If the Offer is fully subscribed, its net proceeds are estimated at EUR 175.0 million (after deduction of Offer commissions and costs paid by the Company, as described in Chapter 8.8 of this Prospectus).

The Company assumes that it will be able to incur additional debts after the Offer has been completed. If the Offer is fully subscribed, this will result in a total additional investment potential of approximately EUR 389.0 million, considering that the Company is aiming for a debt ratio of up to 55%. If we allow a 60% threshold as required by the financial covenants included in the Company's credit documentation, the total additional investment potential is still approximately EUR 437.6 million.

The Company intends to use these net proceeds of the Offer to finance the following in combination with credit financing as the case may be:

- Projects announced up to the date of this Prospectus. To date, the Company has announced approximately EUR°636 million in investments for buildings and projects that have not yet been completed on the date of this Prospectus. EUR°236 million of this is expected to be invested in 2021 and 2022:
  - The previously announced projects for Spain and Portugal are Lamas (Lisbon), Granjo (Porto), UEM (Madrid), Collblanc (Barcelona), U.hub Boavista (Porto) and U.hub Lumiar (Lisbon). Together, these projects represent a total investment value of EUR°143 million, of which EUR°49 million is expected to be invested in 2021 and 2022.
  - The previously announced projects for the Benelux are Eendrachtskade (Groningen), Keesomlaan (Amstelveen), Bokelweg (Rotterdam), Boschdijk Veste (Eindhoven), the project in the Amsterdam area and Brinktoren in Amsterdam, and Marivaux (Brussels), Melo (Namur), Sint-Pietersplein, Voskenslaan and Bagatten (all three in Ghent). Together, these projects represent a total investment value of EUR°426 million, of which EUR°142 million is expected to be invested in 2021 and 2022.
  - XL fund portfolio: This concerns Felix and Campus Drie Eiken in Antwerp and Ariënsplein in Enschede. Together, these projects represent a total investment value of EUR°67 million, of which EUR°45 million is expected to be invested in

2021 and 2022.

- The acquisition and completion of the following properties and/or projects, which were announced on the date of this Prospectus for a total amount of EUR°41.7 million, the entire amount of which is expected to be invested in 2021 and 2022:
    - The project Teatinos in Malaga (Spain): This project concerns the construction of a student residence in Malaga. The residence will have 229 units. A permit has been granted for the project. The project is expected to be completed in the summer of 2021. The total investment value is approximately EUR°23.2 million and a gross stabilised yield at approximately 7.1%. The investment will generate income from Q3 2021.
    - The City Lofts project in Leeuwarden (the Netherlands): This project concerns the construction of a student residence in Leeuwarden. The residence will have 183 units. The project is currently in the permit stage. The permit is expected to be obtained in July 2021. The project is expected to be completed early 2023. The total investment value is approximately EUR°18.5 million and the gross stabilised yield at approximately 6.2%. The investment will generate income from Q1 2023.
- A platform investment in digitalisation and IT infrastructure to structurally support its growth and to prepare the infrastructure for the next growth stages. This is an investment of approximately EUR°0.5 million.

The value of the investments listed above is approximately EUR°278 million. If the Offer is fully subscribed, this would mean that a further EUR 103.0 million is still to be financed with loans. This can be done partly with EUR 94.0 million in credit that has already been committed and partly with financing that is yet to be negotiated.

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.

In addition to the announced acquisitions and development projects, the Company is continuously analysing possible investment opportunities. These opportunities may be acquisitions of existing properties and redevelopment projects (to be developed in-house, 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. On the date of this Prospectus, the Company is considering several possible investment opportunities of different sizes at different stages of the usual investment path. The Company is not in a position to provide more specific information on the state of affairs in this regard, because none of these possible investment opportunities have so far resulted in the Company's irrevocable and unconditional (material) commitment. As one of the interested parties, the Company may also participate 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 for EUR 175.0 million (at least temporarily) for repayment of outstanding loans under existing revolving credit lines, on the understanding that the Company can draw down the amounts again under these revolving credit facilities when necessary to finance its growth depending on the planned investments (and their timing).

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.

**Debt ratio and impact of the Offer's net proceeds**

To expand its property portfolio, the Company strives towards balanced financing that includes both debt and equity. Equity financing is done by means of 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 50-55% at the same time.

As at 31 December 2020, the debt ratio was 54.18%. If the Offer is fully subscribed, the net amount of the capital increase will make the Company's consolidated debt ratio of 54.18% as at 31 December 2020 fall to 43.38% if we only take into account the proceeds from the Offer. This calculation does not take into account any evolution in working capital requirements, planned investments or divestments, operating results and property portfolio valuations that may affect the Company's total assets and debt position and therefore also its debt ratio.

### 5.3. Working capital

On the date of this Prospectus, based on the reference shareholder's fixed subscription commitment in the context of the Offer (see Chapter 8.2.2 of this Prospectus), the Company is of the opinion that it has sufficient means to meet its current commitments and to cover its working capital requirements for a twelve-month period from the date of this Prospectus, which is up to and including 24 February 2022). The working capital is hereby defined as the available cash resources plus the available credit lines that have not yet been used.

### 5.4. Capitalisation and debt

#### 5.4.1 Capitalisation

As at 31 March 2020, the Company's consolidated equity (excluding minority interests and the result of the financial year) was KEUR 683,196, as detailed in the table below:

| **In KEUR** | **31/12/2020** |
|---|---:|
| | |
| Capital | 375,441 |
| Issue premiums | 338,065 |
| Reserves | -30,310 |
| | |
| **Total equity** | **683,196** |
| Non-current liabilities | 834,196 |
| Current liabilities | 126,618 |
| **Total equity and liabilities** | **1,644,010** |

#### 5.4.2 Debt

As at 31 December 2020, the nominal value of the non-current and current financial debt was KEUR°823,491, as detailed in the table below:

| **In KEUR** | **31/12/2020** | **Guaranteed financial debt** | **Non-guaranteed financial debt** |
|---|---|---|---|
| Non-current financial liabilities | 733,182 | 55,288 | 677,894 |
| Current financial liabilities | 90,309 | 26,380 | 63,929 |
| **Total** | **823,491** | **81,668** | **741,824** |

Other non-current financial liabilities – permitted hedging instruments (KEUR°26,530), other non-current liabilities (KEUR°23,333) and deferred taxes (KEUR°51,150) – were not included in the table above.

Non-current liabilities in the table above only includes non-current financial debt.

The above table includes KEUR°2,513 in financial lease obligations in the unsecured debt, of which KEUR°4 is current and KEUR°2,509 is non-current.

A number of loans are guaranteed by mortgages on the underlying property. All provided securities meet the requirement of Article 43 of the Belgian Law of 12 May 2014 that says that the total amount linked to a security must not exceed 50% of the total Fair Value and security linked to a particular building must not exceed 75% of the building's value.

| | **In KEUR** | **31/12/2020** |
|---|---|---|
| | | |
| A | Cash | 9,911 |
| B | Cash equivalents | - |
| C | Trading securities | - |
| D | **Liquid assets (A+B+C)** | **9,911** |
| | | |
| | | |
| | | |
| E | Short-term bank debt | - 1,919 |
| F | Current financial debt – part of long-term financing | - 88,390 |
| | | |
| G | **Short-term debt (E+F)** | - 90,309 |
| | | |
| H | **Net short-term debt (G-D)** | - 80,398 |
| | | |
| I | Long-term bank debt | - 621,392 |
| J | Bond loans and other | - 111,790 |
| K | Other non-short-term debt | - 101,013 |
| | | |
| L | **Long-term debt (I+J+K)** | - 834,195 |
| | | |
| M | **Net debt (H+L)** | - 914,593 |

Bond loans and other include long-term financial debt – financial leasing (KEUR 2,513) and long-term financial debt – other (KEUR 109,277).

Other non-short-term liabilities include the other non-current financial debt – permitted hedging instruments, other non-current liabilities and exit tax liabilities. This concerns obligations that have a major financing component if they materialise.

As at 31 December 2020, the total consolidated debt was KEUR 877,964. The debt included in the consolidated debt ratio (which was 54.18% on 31 December 2020 and 53.62% on 30 September 2020) as defined by the Royal Decree on Regulated Real Estate Companies does not include KEUR°26,530 in "permitted hedging instruments" (which is the negative value of the hedging instruments), KEUR°51,042 in "deferred tax liabilities" and KEUR°5,277 in "accruals and deferred payments".

On the date of this Prospectus, the Company has acquired additional real estate (by acquiring shares in the real estate companies concerned, as the case may be), see also Chapter 9.1.3 of this Prospectus.

On the date of this Prospectus, the Company has concluded financing agreements up to EUR 946 million that it can 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 125 million of this is still available on the date of this Prospectus.

The table below provides more detailed information on the debt as at 31 December 2020 (for more detailed information on financial debt, maturities and repayments, please refer to section 10.9.23 of the 2020 consolidated financial statements included in the F-Pages of this Prospectus):

| **Consolidated debt ratio** | **31/12/2020** | **31/12/2019** |
|---|---|---|
| | | |
| Total liabilities | 960,813 | 650,720 |
| Adjustments | -85,850 | -67,752 |
| Permitted hedging instruments | -26,530 | -15,467 |
| Deferred taxes – liabilities | -51,042 | -47,019 |
| Accruals and deferred payments | -5,277 | -5,266 |
| | | |
| **Total debt according to the Royal Decree of 13 July 2014** | **877,964** | **582,968** |
| | | |
| Total assets | 1,620,316 | 1,276,528 |
| Adjustments | 0 | 0 |
| | | |
| **Total assets according to the Royal Decree of 13 July 2014** | **1,620,316** | **1,276,528** |
| | | |
| **Debt ratio (in %)** | **54.18%** | **45.67%** |

## 6. INFORMATION ON THE SECURITIES THAT WILL BE OFFERED AND ADMITTED TO TRADING ON THE EURONEXT BRUSSELS REGULATED MARKET

### 6.1. Type and form of the New Shares

#### 6.1.1 Type, category and date when the New Shares will qualify for dividend

All New Shares are issued in accordance with Belgian law and are fully paid-up, ordinary, non-par-value shares in the same type as the Existing Shares with voting rights and representing the capital. They will have the same rights as the Existing Shares, on the understanding that, as a result of the detachment of coupons no. 16 and 17 on 24 February 2021 (after the end of trading), they will not participate in the Company's results for the financial year 2020, and they will only participate proportionately in the Company's results for the current financial year 2021 starting from 9 March 2021.

The New Shares will therefore be issued with coupons no. 19 and following attached; coupon no. 18 represents the Priority Allocation Rights, coupon no. 16 represents the dividend right for the financial year 2020 for the period from 25 November 2020 up to and including 31 December 2020[14], and coupon no. 17 represents the right to the proportionate dividend for the current financial year for the period from 1 January 2021 up to and including 8 March 2021 (see also Chapter 6.6.1 of this Prospectus).

The New Shares will be allocated ISIN code BE0974288202, which is the same code as the one used for the Existing Shares. The Priority Allocation Rights have ISIN code BE0970177805. Up to 4,209,288 New Shares will be issued.

#### 6.1.2 Form

The New Shares will be issued in dematerialised form and will be entered as such in the account of the relevant Shareholders with their financial intermediary. However, New Shares issued based on registered Priority Allocation Rights 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.

#### 6.1.3 Currency

The issue is in euros.

### 6.2. Competent courts and legislation to be observed for 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.

### 6.3. Issue of the New Shares

The New Shares will be issued based on a decision in principle taken by the Company's Board of Directors on 23 February 2021 (after the end of trading) in the context of the authorised capital.

[14] Coupon number 15, which represents the dividend right for the financial year 2020 from 7 October 2020 (inclusive) up to and including 24 November 2020, was already detached from the Existing Shares on 22 November 2020 (after the end of trading).

As explained further in Chapter 8.1.1 of this Prospectus, the Company's Board of Directors has decided that the Offer's maximum amount will be EUR 178,894,740.00.

Part of the Issue Price (of all New Shares) equal to the current accounting par value of the Existing Shares (which is EUR 18.00 per share) multiplied by the number of New Shares will be contributed as capital. The difference between this capital contribution and the total Issue Price (of all New Shares) will be entered as an issue premium possibly after deduction of an amount that does not exceed the cost of the capital increase within the meaning of the applicable IFRS rules, and will be entered in an available reserve account under equity with regard to the Company's liabilities. During 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 authorised capital.

In principle, the New Shares will be issued on 9 March 2021 (before the start of trading).

## 6.4. Restrictions on the free transferability of the Shares

Subject to the general limitations described in Chapter 3.4 of this Prospectus and the specific restrictions to which the Company and the Existing Shareholder, Aloxe NV, are committed as described in Chapter 8.5 of this Prospectus, there are no restrictions for the Shares' free transferability other than those applicable by law.

## 6.5. Tax system

### 6.5.1 Prior warning

The tax legislation of the investor's member state and the tax legislation of Belgium may have an impact on the income from the securities.

The following paragraphs summarise certain consequences of the acquisition, ownership and transfer of Shares under Belgian tax law.

This summary is based on the applicable tax laws, regulations and administrative interpretations on the date of this Prospectus and is provided subject to changes in the applicable 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 Company's tax regime and/or want more information about the acquisition, ownership and transfer of Shares and the collection of dividends or proceeds from Shares in Belgium and abroad 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 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 head office or seat of control or management in Belgium). Non-residents are persons who are not Belgian residents.

### 6.5.2 Dividends

#### *6.5.2.1 Withholding tax*

Belgian income taxes usually treat the gross amount of all benefits paid or granted to Shareholders as dividend payments. Exceptionally, the repayment of capital obtained in execution of a regular Company decision in accordance with the applicable corporate law is not considered dividend payment, to the extent that this repayment is allocated to the tax capital. The tax capital generally comprises the contributions that were actually paid up and, under certain conditions, the paid issued premiums and the contributions that were actually paid up during the issue of the profit certificates.

It should be noted that as from 1 January 2018, capital reductions that are decided by the Company are allocated proportionally to the tax capital, the taxed reserves (which may or may not be incorporated in the capital) and the exempted reserves incorporated in the capital. The charge on the reserves applies as a dividend that is subject to withholding tax. The part of the capital reduction that is allocated to the tax capital remains untaxed. The Belgian withholding tax on dividends is generally 30%, subject to reduction or exemption under the applicable Belgian provisions or tax treaties.

In the event of a purchase of own shares, in some cases the amount distributed will be treated as a dividend and subjected to a 30% withholding tax (after deduction of the part of the tax capital represented by the purchased Shares), subject to exemption or reduction pursuant to the applicable Belgian provisions or tax treaties. No withholding tax is levied on the paid-out amount if the purchase is made on a stock exchange and the purchase complies with specific conditions.

In the event of the Company's liquidation, all distributed amounts in excess of the tax capital will be subjected to a 30% withholding tax like ordinary dividend distributions, subject to exemption or reduction pursuant to the applicable Belgian provisions.

#### *6.5.2.2 Natural persons based in Belgium*

For private investors (natural persons who acquire and hold Shares for private purposes) resident in Belgium, the withholding tax on the dividend income 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 their 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 this income is actually declared, (i) the payable income tax is not subject to a municipal surcharge; and (ii) 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 the impairment or depreciation of these Shares. This final condition does not apply if the private investor shows that they have held these Shares in full ownership for a continuous twelve-month period before the allocation of the dividends. Private investors can benefit from a tax exemption for the first bracket of EUR 800 (financial year 2021, assessment year 2022) for dividends paid or attributed from 1 January 2018 via the personal income tax return. This exemption applies to each taxpayer each year (see Article 21, Paragraph 1, 14° of the Income Tax Code 1992).

For professional investors (natural persons who acquire and hold Shares for private purposes) resident in Belgium, the withholding tax on the dividend income is not the final tax in Belgium. The dividend income should be declared in the personal income tax return for taxation at the normal personal income tax rate plus the additional municipal tax. 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 on the date when the dividends' rightful claimant is identified and insofar as this allocation or availability for payment does not result in the impairment or depreciation of these Shares. This last condition is not applicable if the professional investor shows that (i) they fully owned these Shares for a continuous twelve-month period before the dividends were allocated, or that (ii) during the period in question said fully owned Shares never belonged to a taxpayer other than a company subject to corporation tax or a foreign company that continuously invested these shares in a Belgian organisation.

#### *6.5.2.3 Belgian legal entities*

For taxpayers subject to tax for legal entities (at a 30% tax rate), the withholding tax is generally the final tax due.

#### 6.5.2.4 *Belgian companies*

Belgian companies subject to corporation tax must include the dividends in the corporation tax return. They are generally taxed on the gross dividend received (including the withholding tax) at the applicable corporation tax rate. The corporation tax standard rate is 25% from assessment year 2021 (linked to a taxable period starting on 1 January 2020 at the earliest). For companies that meet the conditions mentioned in Article 215, Paragraphs 2 and 3 of the Income Tax Code 1992, the corporation tax rate is 20% on the first income bracket of EUR 100,000 (from assessment year 2021, linked to a taxable period starting on 1 January 2020 at the earliest).

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

Dividends paid by the Company are still eligible for final income tax deduction if they arise from income from (i) real estate that is located in another member state of the European Union or in a state with which Belgium has signed a double taxation treaty, provided that this agreement or treaty provides for the exchange of information necessary to apply the national legal provisions of the contracting states; and (ii) real estate that has been subject to corporation tax, non-resident tax or a foreign tax similar to these taxes and that do not benefit from a tax regime that is excessively non-compliant with common law (Article 203, Section 2, Paragraph 6 of the Income Tax Code 1992). The dividends distributed by the Company are also eligible for final income tax deduction insofar as and to the extent that these dividends arise from dividends that meet the taxation terms listed in Article 203, Section 1, Paragraph 1, 1° to 4° of the Income Tax Code 1992 or from capital gains realised on shares that qualify for exemption pursuant to Article 192, Section 1 of the Income Tax Code 1992 and on the condition that the Company's Articles of Association provide for an annual distribution of at least 80% of the income earned after deduction of the remuneration, commissions and costs (Article 203, Section 2, Paragraph 2 of the Income Tax Code 1992). Pursuant to Article 203, Section 5 of the Income Tax Code 1992, this 80% threshold is deemed to have been met when a RREC has distributed its net income in accordance with Article 13, Section 1 of the Royal Decree of 13 July 2014 on Regulated Real Estate Companies.

The so-called quantitative terms of Article 202, Section 2, Paragraph 1 of the Income Tax Code 1992 (Article 202, Section 2, Paragraph 3, 3° of the Income Tax Code 1992) do not apply to the implementation of final income tax deduction 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 on the date when the dividends' rightful claimant is identified and insofar as this allocation or availability for payment does not result in the impairment or depreciation of these Shares. This last condition is not applicable (i) if the company shows that it has fully owned these Shares for a continuous twelve-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 other than a company subject to corporation tax or a foreign company that 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 and are holding or will be holding those Shares for an uninterrupted period of at least one year can become exempt from withholding tax under certain conditions and subject to their compliance with certain formalities.

#### 6.5.2.5 *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 base in Belgium or a Belgian organisation.

If the Shares are acquired by a non-resident in connection with a business activity in Belgium, the investor must declare all the received dividends. They will be taxed at the applicable personal or corporation tax rate for non-residents as the case may be. The withholding tax withheld at source can be offset against the due personal income or corporation tax for non-residents and is refundable if the withholding tax exceeds this income tax, provided that two conditions are met: (i) the taxpayer must fully own the Shares on the date when the dividends' rightful claimant is identified and (ii) the dividend payment must not give rise to the impairment or depreciation of the Shares. The latter condition does not apply (i) if the non-resident natural person or the non-resident company can demonstrate that the Shares are held in full ownership for an uninterrupted twelve-month period prior to the payment or allocation of the dividends or (ii) for non-resident companies only, if at no time during the relevant period the Shares belonged to a taxpayer other than a Belgian company subject to corporation tax or a non-resident company that continuously invested the Shares in a Belgian organisation.

Pursuant to Article 106, Section 7 of the Royal Decree implementing the Income Tax Code 1992, part of the dividends the Company distributes to non-resident depositors can be exempt from withholding tax under certain conditions. 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 (or another company mentioned in Article 106, Section 7, Paragraph 1 of the Royal Decree implementing the Income Tax Code 1992) 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.

Under certain conditions and subject to compliance with certain formalities, non-resident natural persons holding the Shares for non-professional purposes may benefit from a dividend tax exemption for the first bracket of EUR 800 each year (financial year 2021, assessment year 2022).

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 with which Belgium concluded such a treaty and if certain conditions and formalities are met.

Prospective investors should consult their own tax adviser to determine whether they qualify for a lower withholding tax rate for the payment or allocation of dividends, and what procedure should be followed to obtain the lower rate for a dividend payment or repayment.

### 6.5.3 Capital gains and losses

#### *6.5.3.1 Belgian natural persons*

A natural person who is based in Belgium and realises capital gains from the sale of the Shares (in the context of the normal management of their private equity) is generally not taxable. Any capital losses associated with 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.

If a natural person owns more than 25% of the Shares at any time during the five years preceding a transfer, this is referred to as a significant stake. In that case, the capital gains realised on a direct or indirect transfer of Shares that is not part of professional activities to a foreign company (or an entity with a similar legal form), a foreign State (or one of its political components or local authorities) or a foreign legal entity whose head office or seat of management or administration is not located in a Member State of the European Economic Area are subject to a 16.50% income tax (plus municipal taxes). This rate applies to transfers of significant stakes held by Belgium-based private investors in their own name, possibly together with their spouse or certain other family members.

The capital gains realised by natural persons holding the Shares as part of their professional assets are taxed at the progressive income tax rate (plus the municipal rates). Capital gains achieved on Shares that were held for five years or more are taxed at a rate of 16.50% (plus municipal rates). Capital losses from transferring the Shares are generally tax-deductible.

Capital gains realised by natural persons resident in Belgium upon purchase of the Company's own Shares or the liquidation of the Company are generally taxable as dividends (see Chapter 6.5.2 of this Prospectus).

#### 6.5.3.2 *Belgian legal entities*

Capital gains realised from the Shares by legal entities subject to taxes are generally not taxable (unless they are associated with a significant stake, see Chapter 6.5.3.1 of this Prospectus). Any capital losses are not tax-deductible.

Capital gains realised by legal entities based in Belgium upon the purchase of the Company's own Shares or the liquidation of the Company are generally taxable as dividends (see Chapter 6.5.2 of this Prospectus).

#### 6.5.3.3 *Belgian companies*

Pursuant to Article 192 of the Income Tax Code 1992, companies can receive an exemption with regard to the capital gains realised on shares, provided that the valuation condition is met. This means that any income from those shares is eligible for final income tax deduction based on Articles 202 and 203 of the Income Tax Code 1992.

Exemption with regard to capital gains realised on shares of a regulated real estate company is not subject to the so-called one-year requirement and the participation condition mentioned in Article 202, Section 2, Paragraph 1 of the Income Tax Code 1992 (see Article 192, Section 1 in conjunction with Article 202, Section 2, Paragraph 3, 3° of the Income Tax Code 1992).

To the extent that the valuation condition is not met, the capital gains realised are considered to be taxable at the standard rate of corporation tax of 25% (20% on the first income bracket of EUR 100,000 for companies that meet the conditions set out in Article 215, Paragraphs 2 and 3 of the Income Tax Code 1992).

Since the Company's dividends are only partially eligible for deduction from the final taxed income (see Chapter 6.5.2.4 of this Prospectus), the aforementioned exemption from Article 192 of the Income Tax Code 1992 can only be applied to the same extent.

Capital losses on Shares suffered by Belgian companies are generally not tax-deductible.

Capital gains realised by Belgian companies upon the purchase of the Company's own Shares or the liquidation of the Company are generally subject to the same tax regime as dividends (see Chapter 6.5.2 of this Prospectus).

#### 6.5.3.4 *Non-residents*

Capital gains from 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 by means of a permanent base or a Belgian permanent organisation used by the non-resident in Belgium, (ii) the capital gains are realised in the context of the normal management of their private assets, and (iii) there is no "significant stake" (see Chapter 6.5.3.1 of this Prospectus above). Capital losses are not tax-deductible in Belgium.

Non-resident natural persons must declare all capital gains they realise from the sale of Shares held for professional purposes via a fixed base in Belgium on their non-resident tax return. They will be taxed at the applicable progressive rate for non-resident tax for natural persons. Losses are tax-deductible in such cases.

Capital gains realised by a non-resident natural person from the sale of Shares outside the framework of the normal management of that individual's private assets are taxable at a 33% tax rate.

If a natural person owns more than 25% of the Shares at any time during the five years preceding a transfer – either directly or indirectly, alone or together with a spouse or certain family members – this is referred to as a significant stake. In that case, capital gains realised by non-resident natural persons from the disposal of the shares against a fee, but not as part of professional activities, to a non-resident company (or an entity with a similar legal form), a foreign state (or one of its political departments or local authorities) or to a non-resident legal entity whose head office or seat of management is located outside the European Economic Area are generally taxable at a rate of 16.50%.

Capital gains realised by non-resident natural persons upon the purchase of the Company's own shares or the liquidation of the Company are generally taxable as dividends (see Chapter 6.5.2 of this Prospectus above).

Non-resident legal entities subject to the tax for legal entities are generally not taxable in Belgium for capital gains realised from Shares. Capital losses are not tax-deductible in Belgium.

Non-resident companies holding Shares in another way than via a Belgian establishment are generally not taxed on capital gains realised from the sale of the Shares. In that case, capital losses are not tax-deductible. When Shares are held via a Belgian establishment, the realised capital gains must be reported on the non-resident tax return. In that case, they are generally taxed at the normal tax rate for non-resident companies. Any capital losses are not tax-deductible.

Even if non-residents were taxable in Belgium based on the Income Tax Code 1992 (see above), Belgium may still not be authorised to levy taxes. Belgium has entered into double taxation treaties with many countries. This means that Belgium may not have the authority to tax capital gains from Shares realised by shareholders who are resident in one of the states with which Belgium has double taxation treaties.

### 6.5.4 Tax on stock exchange transactions

#### *6.5.4.1 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.

#### *6.5.4.2 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 tax on stock exchange transactions is withheld by the professional intermediary.

However, if the intermediary is based abroad, the tax will generally be payable by the Belgian investor unless the Belgian investor can prove that the tax has already been paid. Subject to certain conditions and formalities, professional intermediaries who are based abroad may appoint a liable representative based in Belgium to pay this tax for transactions made via the professional intermediary. If such a representative pays the tax on stock exchange transactions, the Belgian investor is no longer liable to pay this tax.

The following persons are always exempt from the tax on stock exchange transactions if they trade on their own account: (i) the professional intermediaries referred to 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 referred to in Article 2, Section 1 of the Law of 9 July 1975 on the supervision of insurance companies; (iii) the institutions for occupational retirement provisions as referred to in Article 2, 1° of the Law of 27 October 2006 on the supervision of institutions for occupational retirement provisions; (iv) institutions for collective investment; (v) regulated real estate companies; and (vi) non-residents (insofar as they submit a certificate proving that they are not resident in Belgium).

### 6.5.5 Payment of the non-exercised Priority Allocation Rights and the exercised Priority Allocation Rights associated with the registered Shares for which the

Issue Price was not paid on time and the sale of the Priority Allocation Rights before the closing of the Subscription Period

If the Excess Amount divided by the total number of Scrips exceeds EUR 0.01, it will be paid to holders of (i) non-exercised Priority Allocation Rights that have not been exercised by the closing date of the Subscription Period and (ii) registered Priority Allocation Rights (x) for which a duly completed subscription form or request for dematerialisation was not received in time, (y) which have not been sold by in the name of the Company and for the account of the relevant registered shareholder by ING Belgium NV (notwithstanding any instruction in the subscription form), or (z) for which the total Issue Price was not paid on time, (and which will therefore all qualify as non-exercised Priority Allocation Rights) and which will be offered for sale by the Underwriters to investors in the context of the Private Placement of Scrips. 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 are holding the (non-exercised) Priority Allocation Rights (for which the total Issue Price was not paid on time) 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 rate plus the municipal rates.

The profit realised upon receipt of the Excess Amount (if paid) is subject to corporation tax for Belgian companies at the ordinary corporation tax rate (currently 25% or 20% on the first income bracket of EUR 100,000 for companies that meet the conditions set out in Article 215, Paragraphs 2 and 3 of the Income Tax Code 1992).

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 Priority Allocation Rights for professional purposes in Belgium via a permanent base in Belgium or a Belgian organisation.

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

The rules for the tax on stock exchange transactions set out in Chapter 6.5.4 of this Prospectus also apply to the payment of the Excess Amount (if paid) and to the sale of Priority 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.

### 6.5.6 Annual tax on custody accounts

On 5 January 2021, the federal government submitted a bill with the federal Parliament to introduce a new annual tax on custody accounts in the Code of Various Duties and Taxes.

An annual tax of 0.15% will be levied on custody accounts for which the average value of the taxable financial instruments (including shares) is more than EUR°1 million for a reference period of twelve consecutive months, which (in principle) starts on 1 October and ends on 30 September the following year. The taxable base will be determined based on four reference dates: 31 December, 31 March, 30 June and 30 September. The amount of tax due is limited to 10% of the difference between the aforementioned average value of the taxable financial instruments and the threshold amount of EUR°1 million.

The tax applies to custody accounts held by resident natural persons subject to personal income tax and legal entities subject to corporation tax or legal entity tax, regardless of where the intermediary is established or based. The tax will also apply to non-residents (natural persons or legal entities subject to non-resident tax) if the custody account is held with a Belgian intermediary. Custody accounts that are part of the business assets of a Belgian organisation of a non-resident as referred to in Article 229 of the Income Tax Code 1992 held with an intermediary will also be subject to the tax, regardless of where the intermediary is established or based.

There are a number of exemptions from the tax. One exemption applies to custody accounts held solely for the benefit of specifically listed financial companies themselves.

An intermediary is defined as follows: (i) the National Bank of Belgium, the European Central Bank and the foreign central banks exercising similar functions, (ii) a central securities depository as referred to in Article 198/1, Section 6, 12 ° of the Income Tax Code 1992, (iii) a credit institution or a brokerage firm as referred to in Article 1, Section 3 of the Law of 25 April 2014 on the status and supervision of credit institutions and brokerage firms, and (iv) the investment companies referred to in Article 3, Section 1 of the Law of 25 October 2016 on access to investment services and the status and monitoring of asset management and investment advice companies authorised to hold financial instruments on behalf of clients by national law.

A Belgian intermediary is an intermediary established under Belgian law or an intermediary that is based in Belgium.

In principle, Belgian intermediaries will withhold, declare and pay the tax. In all other cases, holders will take the initiative to declare and pay the tax unless they can prove that the tax has already been declared and paid by an intermediary, which may or may not be established or based in Belgium. If a custody account is held by several holders, each holder can submit the declaration for all holders and each holder is jointly and severally liable for the payment of the tax. Intermediaries not established or based in Belgium who are managing an account subject to tax can have a liable representative established in Belgium approved by or on behalf of the Minister of Finance. This representative is jointly and severally liable to declare and pay the tax to the Belgian State and to meet all the obligations of the intermediary.

The tax authorities will not take into account the following transactions relating to a custody account held with the same intermediary from 30 October 2020: (i) the splitting of a custody account into several custody accounts held with the same intermediary, and (ii) the conversion of taxable financial instruments held in a custody account into registered financial instruments. A general anti-abuse provision has also been included to prevent transactions designed to avoid the application of the tax. This anti-abuse provision will apply retroactively from 30 October 2020.

The bill was adopted by the Chamber of Representatives in a plenary session on 11 February 2021, but has not yet been published in the Belgian Official Journal. The law will enter into force on the day following its publication in the Belgian Official Journal, with the exception of the general anti-abuse provision, which will apply retroactively from 30 October 2020.

Investors are advised to consult their own tax advisers on the specific impact of this tax on their tax situation.

## 6.6. Rights associated with the Shares

### 6.6.1 Dividends

#### *6.6.1.1 General*

All Shares participate in the Company's results in the same way and carry the right to the dividends granted by the Company. The New Shares will be issued with coupon no. 19 and following attached (coupon no. 18 represents the Priority Allocation Right, coupon no. 16 represents the dividend right for the financial year 2020 for the period from 25 November 2020 (inclusive) up to and including 31 December 2020, and coupon no. 17 represents the right to a proportionate dividend for the current financial year for the period from 1 January 2021 (inclusive) up to and including 8 March 2021; in principle, both will be detached from the Existing Shares on 24 February 2021 (after the end of trading)).

Coupon no. 19 – 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 2021 from 9 March 2021. The New Shares will therefore only participate in the result for the current financial year

2021 from 9 March 2021, as in principle, the New Shares will be issued on 9 March 2021 according to the current Timetable.

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. In accordance with the Royal Decree on Regulated Real Estate Companies, the Company must pay out capital compensation that is at least equal to the positive difference between the following amounts:

- 80% of the sum of the adjusted result and net gains on the realisation of property that are not exempt from the distribution 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.

The use of the balance is decided at the Annual 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 7:212 of the Belgian Companies and Associations Code, which stipulates that a dividend can only be distributed if its distribution does not make the net assets fall below the sum of the paid-up capital and all the reserves that cannot be distributed by law or under the Articles of Association. In addition, account must always be taken of the legal (separate and consolidated) maximum debt ratio of 65% permitted by the Legislation on Regulated Real Estate Companies, and the fact that the financial institutions impose a maximum debt ratio of only 60%.

The Board of Directors can decide to pay out interim dividends at its own responsibility in accordance with the applicable company legislation and Article 35 of the Articles of Association. The right to receive dividends made payable on shares expires five years after the distribution date under Belgian law (Article 2277 of the Civil Code). From that date, the Company no longer has to pay out such dividends.

Item 11.6.1 of Annex 3 to the Delegated Regulation 2019/980 requires the Company's Prospectus to include "*the amount of the dividend per share for the last financial year adjusted, where the number of shares in the issuer has changed, to make it comparable*". The distributable profit for the financial year 2020 is the gross dividend per share of EUR 1.36). If this distributable profit were to be distributed for the total number of Existing and New Shares (assuming that the Offer is fully subscribed), this would result in a gross dividend of EUR 1.05 per New and Existing Share. The Company is of the opinion that this is a theoretical measure, as the proceeds of the Offer will be used to invest in assets that will contribute to the Company's profit. For a relevant description of the Company's dividend forecast based on the Company's actual expectations, please refer to the following paragraph and to Chapter 9.2.2 of this Prospectus.

##### *6.6.1.2 Dividends relating to the financial year 2020 / Annual Communiqué – Publication of the Annual Results 2020*

As stated in its "*Annual Communiqué – Publication of the Annual Results 2020*" to be published on the Company website on 24 February 2021, the Company's Board of Directors intends to propose a dividend of EUR 1.36 gross or EUR 0.952 net per share for the financial year 2020 at the Annual General Meeting of 20 May 2021.

If approved at the Annual General Meeting of 20 May 2021, the amount of this proposed gross dividend for the financial year 2020 will be distributed proportionally among:

(i) coupon no. 14, which represents the gross dividend right for the financial year 2020 from its start (1 January 2020 (inclusive)) up to and including 6 October 2020 and was detached from the Existing Shares on 8 October 2020 (after the end of trading) (EUR 1.0404);

(ii) coupon no. 15, which represents the gross dividend for the financial year 2020 for the period from 7 October 2020 (inclusive) up to and including 24 November 2020 and was detached from the Existing Shares on 22 November 2020 (after the end of trading) (EUR°0.1821); and

(iii) coupon no. 16, which represents the gross dividend for the financial year 2020 for the period from 25 November 2020 (inclusive) up to and including 31 December 2020 and to be detached from the Existing Shares in the context of the Offer on 24 February 2021 (after the end of trading) (EUR°0.1375).

The gross dividend for the financial year 2020 is, of course, subject to approval at the Annual General Meeting for the financial year 2020.

##### 6.6.1.3 *Dividends for the financial year 2021*

Barring unforeseen circumstances, the Company strives towards a gross dividend of EUR 1.44 per share for the financial year 2021 (a 6% increase compared to 2020). The Company therefore expects an increase in its earnings per share compared to the previous financial year 2020, notwithstanding the fact that the number of shares increased by 32% in the course of 2020 and 2021 as a result of (i) a capital increase in the context of the authorised capital by means of a contribution in kind of LIFE's receivables from Xior that came about on 18 June 2020 as the result of the launch of the XL Fund, (ii) the acquisition of student residence "365 Rooms" in Brussels by means of a contribution in kind in the context of the authorised capital with a private placement on 7 October 2020 in a bookbuild with institutional investors, and (iii) a capital increase in cash within the authorised capital, lifting the existing shareholders' statutory pre-emptive rights and not granting them priority allocation rights by means of an accelerated bookbuild ("ABB") for Belgian and international institutional investors, which was effected on 25 November 2020 and (iv) the (assumed) successful completion of the capital increase in the context of the Offer with the maximum number of New Shares (which is 4,209,288) subscribed.

The dividend expected to be distributed over the financial year 2021 will be divided proportionally among:

(i) coupon no. 17, which represents the gross dividend for the current financial year 2021 for the period from its start (1 January 2021 (inclusive)) up to and including 8 March 2021 (EUR 0.2643, taking into account the expected dividend for the current financial year 2021); and

(ii) coupon no. 19 and following as the case may be, which represents the gross dividend right for the current financial year 2021 for the period from 9 March 2021 (inclusive) up to and including the end of the financial year 2021 (EUR 1.1757, taking into account the expected gross dividend of EUR 1.44 per share for the current financial year 2021).

This estimate is, of course, subject to the results and approval by the Ordinary General Meeting for the financial year 2021. For the dividend forecast for the financial year 2021, reference is also made to Chapter 9.2.2 of this Prospectus.

#### 6.6.2 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.

#### 6.6.3 Pre-emptive rights and priority allocation rights

A capital increase by means of a contribution in cash generally offers the Company's Shareholders pre-emptive rights in accordance with Articles 7:188 and following of the Belgian Companies and Associations Code. However, the Company may restrict or cancel the Shareholders' pre-emptive rights under the applicable company legislation in case of a capital increase by means of a contribution in cash, provided that the Shareholders receive priority 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.

That priority 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 by the eve of the opening of the public subscription period, and (iv) in that case, the public subscription period must last at least three trading days. See also Chapter 8.1.1 of this Prospectus.

Without prejudice to the application of Articles 7:188 up to and including 7:193 of the Belgian Companies and Associations Code, the above does not apply (meaning that no priority allocation rights should be granted to the existing shareholders if the statutory pre-emptive rights are lifted) in the event of a capital increase by means of a contribution in cash under the following conditions:

1. the capital increase is carried out using the authorised capital; and
2. the accumulated amount of the capital increases performed over a twelve-month period in accordance with this paragraph does not exceed 10% of the capital amount when the capital increase is decided.

Without prejudice to the application of Articles 7:190 up to and including 7:194 of the Belgian Companies and Associations Code, the aforementioned also does not apply in case of a contribution in cash with restriction or cancellation of pre-emptive rights, as a complement to a contribution in kind in the context of the distribution of an optional dividend, insofar as this is actually paid to all Shareholders. In this context, reference is also made to the authorised capital granted to the Company's Board of Directors in Article 7 of the Articles of Association, as described in Chapter 6.6.7 of this Prospectus and further explained in the special report drawn up by the Board of Directors in accordance with Article 604 of the Belgian Companies and Associations Code and published on the Company website (www.xior.be).

Moreover, in accordance with Articles 7:188 to 7:193 of the Belgian Companies and Associations Code and the Law on Regulated Real Estate Companies, the Company's Shareholders do not have statutory pre-emptive rights or priority allocation rights in the event of a capital increase by means of a contribution in kind. The rules of Article 26, Sections 2 and 3 of the Law on Regulated Real Estate Companies must always be observed for contributions in kind.

The exercise of pre-emptive rights or priority 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 this context, it should be noted that the Offer takes place in (i) Belgium (by means of the Public Offering of New Shares and the Private Placement of Scrips for Belgian and international institutional investors), and (ii) the European Economic Area, the United Kingdom and Switzerland (by means of the Private Placement of Scrips) in accordance with Regulation S under the US Securities Act of 1993.

None of the Priority Allocation Rights, Scrips or New Shares are or will be registered under the US Securities Act or under the securities law of any state or any other jurisdiction in the United States. As a result, the Priority Allocation Rights, Scrips and New Shares will not be offered, exercised, issued, sold, pledged or transferred in the United States in any way, except in limited cases of offerings and sales of the New Shares pursuant to the exemption from the registration requirements under the US Securities Act as provided for by Section 4(a)(2) under the US Securities Act and in accordance with the applicable securities legislation of any state or any other jurisdiction of the United States.

Shareholders in jurisdictions outside Belgium who are unable or not permitted to exercise their pre-emptive rights or priority allocation rights in case of a future offering of pre-emptive rights or priority allocation rights may be liable to suffer a dilution of their stake in the Company's share capital.

#### 6.6.4 Rights in case of liquidation

The liquidation proceeds will be proportionately distributed to all Shareholders based on their stake in the Company's share capital once all debts, charges and settlement costs have been paid.

#### 6.6.5 Acquisition and disposal of own Shares

It was decided at the Annual General Meeting of 23 November 2015 that until 22 November 2020, the Company's Board of Directors was permitted to acquire own shares up to a maximum of 20% (twenty per cent) of the total issued shares at a unit price that must not fall below 10% (ten per cent) of the average share list price on Euronext Brussels for the last thirty days and must not exceed 110% (one hundred and ten per cent) of the average share list price on Euronext Brussels for the last thirty days.

If this authorisation is not renewed, the authorisation provided in Article 10 of the Company's Articles of Association will have expired on the date of this Prospectus.

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

#### 6.6.6 Conversion conditions

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

#### 6.6.7 Authorised capital

In accordance with Article 7:198 of the Belgian Companies and Associations Code and Article 7 of the Company's Articles of Association, the Company's Board of Directors is authorised to increase the share capital once or several times by a maximum amount of:

(i) one hundred and seventy-two million one hundred and ninety-eight thousand one hundred and sixty-one euros (EUR 172,198,161.00) for public capital increases by means of a contribution in cash allowing Company shareholders to exercise their statutory pre-emptive rights or priority allocation rights;

(ii) one hundred and seventy-two million one hundred and ninety-eight thousand one hundred and sixty-one euros (EUR 172,198,161.00) for capital increases in connection with the distribution of an optional dividend;

(iii) thirty-four million four hundred and thirty-nine thousand six hundred and thirty-two euros and twenty cents (EUR 34,439,632.20) (a) for capital increases by means of a contribution in cash not giving the Company shareholders the option to exercise any statutory pre-emptive rights or priority allocation rights, (b) for capital increases by means of a contribution in kind and (c) for any other capital increases;

provided that the Board of Directors never increase the capital in any case by more than the legal maximum amount, which is the capital amount on 6 November 2019, the date of the Extraordinary General Meeting.

This authorisation was granted for a renewable period of five years starting from 14 November 2019, which is the publication date of the minutes of the Extraordinary General Meeting of 6 November 2019 in the Annexes to the Belgian Official Journal.

These capital increases may be implemented by contributions in cash, contributions in kind, mixed contributions or the conversion of reserves, including retained profits and issue premiums, as well as all equity components under the Company's separate IFRS annual financial statements (drawn up under the regulations applicable to registered real estate companies) that are subject to conversion into capital, whether or not with the creation of new securities. Where appropriate, the issue premiums will be entered and retained in one or more separate accounts as liabilities in the equity section of the balance sheet. If the capital increase is decided by the Board of Directors, the Board of Directors is free to decide to place the issue premium amount – possibly 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.

The authorised capital method offers the Board of Directors sufficient flexibility and implementation speed to ensure that the Company's interests are protected.

The relatively complex, expensive and time-consuming procedures for convening an extraordinary general meeting of a listed company in order to decide on a capital increase may in certain circumstances be incompatible with fluctuations on the capital markets or certain opportunities and threats that present themselves to the Company (with the exception of a public takeover bid, see above). If such circumstances prevent an extraordinary general meeting being convened in good time, they may have a negative effect on the Company.

If the Company wants to allow one or several institutional, strategic or other shareholders to contribute to its capital or a certain transaction (for example a private or public takeover of securities or assets in one or more companies), or if the Company wishes to fully or partly finance, pay for (for example to cover a public takeover bid presented by the Company) or support (for example with an equity kicker) capital expenditure or an investment by issuing securities, the convocation of an extraordinary general meeting may lead to a premature announcement of the transaction in certain circumstances. This in itself may jeopardise the favourable outcome of the negotiations for that transaction. Under certain circumstances, subjecting such a transaction to the approval of the extraordinary general meeting may also jeopardise its actual implementation.

The Board of Directors may also use the authorised capital in the context of the Company's remuneration policy, for example to allocate shares, share options or warrants to the employees, directors, executive management or consultants of the Company and its subsidiaries, and to persons who have provided professional services to the Company and its subsidiaries.

Finally, the Board of Directors may consider using the authorised capital to remunerate the shareholders in a special way, for example by distributing a dividend in shares or by offering them an optional dividend.

All the above conditions governing the use of authorised capital and the above objectives for the use of authorised capital are to be interpreted as broadly as possible.

Since 14 November 2019, the Company has already used the authorisation it received to increase its capital several times. On the date of this Prospectus, the available balance for the authorised capital is as follows:

(i) EUR 172,198,161.00 for public capital increases by means of a contribution in cash that offer the Company shareholders the option to exercise their statutory pre-emptive rights or priority allocation rights;

(ii) EUR 172,198,161.00 for capital increases in connection with the distribution of an optional dividend;

(iii) EUR 16.20 (a) for capital increases by means of a contribution in cash not allowing the Company shareholders the option to exercise the statutory pre-emptive rights or priority allocation rights, (b) for capital increases by means of a contribution in kind and (c) for any other capital increases.

## 6.7. Statement on the existence of any national legislation applicable to the Company that may make such takeovers more difficult

### 6.7.1 General provisions

The Company is subject to the Belgian regulations for public takeover bids and public squeeze-outs. 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 and public squeeze-outs, 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.

### 6.7.2 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.

Pursuant to the Law of 1 April 2007, any person who – following an acquisition by that person alone, by that person together with other cooperating persons or by persons acting on behalf of that person or those other persons – directly or indirectly holds more than 30% of the voting securities in a company that has its registered office in Belgium and has had its voting securities admitted to trading on a regulated market, must issue a public takeover bid for all voting securities and securities giving access to the voting rights issued by the company.

Subject to certain exceptions, simply exceeding the 30% threshold after an acquisition of securities will generally result in the obligation to make a bid, regardless of whether or not the paid acquisition fee is higher than the market price.

The regulations include a number of exceptions to the obligation to place a public takeover bid, for example: (i) a capital increase that includes statutory pre-emptive rights for the existing shareholders as decided at the general shareholders' meeting, (ii) when it is demonstrated that a third party is controlling the company or holding a participating interest that is greater than the participating interest of the person holding 30% of the company's voting rights either alone or by mutual agreement, and (iii) in certain cases in the event of a merger.

The price of the mandatory bid will be at least equal to the higher of the following two amounts: (i) the highest price paid for the securities by the bidder or a person acting jointly with the bidder during the twelve-month period preceding the bid's announcement and (ii) the weighted average of the market prices for the securities concerned on the most liquid market during the thirty calendar days preceding the date when the bidding obligation arose.

The bid can generally be made in cash, in securities or in a combination of both. If the consideration offered consists of securities, the bidder must propose a cash price as an alternative in two cases: (i) if the bidder or a person acting in cooperation with the bidder has acquired or is committed to acquiring cash securities during the twelve-month period preceding the announcement of the bid or during the period to which the bid relates, 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 and Associations Code and other regulations, such as the regulations on the disclosure of significant stakes (see Chapter 6.7.6 of this Prospectus) and the regulations on merger control, include other provisions that may apply to the Company and may have an effect on a hostile takeover bid or a change of control, or make their implementation more difficult.

In accordance with the Belgian Companies and Associations Code, a company can acquire its own shares and increase its capital by means of the authorised capital if this is provided for in its Articles of Association. However, the acquisition and disposal authorisation provided for in Article 10 of the Company's Articles of Association has expired on the date of this Prospectus (see Chapter 6.6.5 of this Prospectus). However, the board of directors' authorisation to increase the Company's capital within the authorised capital is still valid on the date of this Prospectus (see also Chapter 6.6.7 of this Prospectus).

It should also be noted that the credit agreements concluded by the Company usually include a so-called change of control clause, which allows the relevant financial institution to demand full early repayment of the loans in the event of a change of control over the Company. All of the Company's credit agreements contain such a change of control clause.

### 6.7.3 Public squeeze-out

In accordance with Article 7:82, Section 1 of the Belgian Companies and Associations Code and the Royal Decree of 27 April 2007 on public squeeze-outs, one or several natural or legal persons acting in concert and together with the listed company holding 95% of the securities with voting rights in a listed company may acquire all voting securities and all securities that grant the holder access to voting rights by means of a public squeeze-out bid (the "ordinary squeeze-out bid").

Securities that are not offered voluntarily in the context of such a bid are considered to have been transferred automatically to the bidder with consignment of the price. In that case, the company is no longer considered a listed company. The price must be a cash amount that represents the securities' fair value (as verified by an independent expert) in a manner that safeguards the security holders' interests.

If following a voluntary or mandatory takeover bid the bidder (or any person cooperating with the bidder) holds 95% of the voting capital and 95% of the voting securities, the bidder may require all other holders of voting securities or securities that give access to voting rights to sell their securities at the price of the takeover bid (the "simplified squeeze-out bid"). In the event of a voluntary takeover bid, a simplified squeeze-out bid is only possible if as a result of the voluntary bid, the bidder acquired securities that represent at least 90% of the voting capital that is covered by the voluntary bid. The bidder then opens the bid within three months of the end of the bid's acceptance period. This reopened bid is subject to the same conditions as the original bid and is considered a squeeze-out bid within the meaning of Article 7:82, Section 1 of the Belgian Companies and Associations Code, which is not subject to the Royal Decree of 27 April 2007 on public squeeze-out bids. Securities that have not been offered after the end of the acceptance period of the reopened bid are considered to have been transferred automatically to the bidder. After the closing of the bid, the operator of a Belgian regulated market or Belgian multilateral trading facility will automatically remove the listing of the securities that were admitted to trading on that market.

#### 6.7.4 Sell-out

Within three months of the end of a public takeover bid's acceptance period, holders of voting securities or securities that give access to voting rights may require a bidder that owns 95% of the voting capital and 95% of voting securities in a listed company, either alone or in cooperation with others after a voluntary or mandatory public takeover bid or the reopening of such a takeover bid, to take on their voting securities or securities that give access to voting rights at the price of the bid (the "sell-out"). In the event of a voluntary takeover bid, a sell-out is only possible if as a result of the voluntary bid, the bidder acquired securities that represent at least 90% of the voting capital that is covered by the voluntary bid.

#### 6.7.5 Implementation of the Law on Regulated Real Estate Companies

In accordance with the Law on Regulated Real Estate Companies, a bidder who acquires control over the Company as a result of a mandatory or voluntary takeover bid would be considered a promoter of the Company. In this context, attention is drawn to Article 23, Section 3 of the Law on Regulated Real Estate Companies, which stipulates that the promoter must ensure that at least 30% of the voting securities of the Public RREC are permanently and uninterruptedly in the public's possession (on the understanding that exceptions to this obligation may apply in certain specific situations, as specified in Article 23, Section 6 of the Law on Regulated Real Estate Companies).

If a public takeover bid is launched for the Company's shares based on the regulations described in Chapters 6.7.2 up to and including 6.7.4 of this Prospectus, 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 licence as a RREC under implementation of Article 23, Section 3 of the Law on Regulated Real Estate Companies.

#### 6.7.6 Disclosure of significant stakes

Belgian legislation (the Law of 2 May 2007 on the disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market and the Royal Decree of 14 February 2008 on the disclosure of major shareholdings) imposes disclosure requirements on any natural or legal person (including registered companies without legal personality and trusts) that directly or indirectly acquires or transfers (i) voting securities, (ii) securities carrying the right to acquire existing voting securities, or (iii) securities that are linked to existing voting securities and that have an economic effect similar to that of the securities referred to under (ii), whether or not they carry the right to physical settlement, if as a result of such acquisition or transfer the total number of voting rights (considered to be) attached to securities referred to under (i) to (iii) held directly or indirectly by such a natural or legal person, acting alone or in cooperation with others, reaches, exceeds or falls below a threshold of 5% or any multiple of 5% of the total number of voting rights attached to the Company's securities. A notification obligation also applies if (a) the voting rights (attached to securities) referred to in (i) or (b) the voting rights considered to be attached to the securities referred to in (ii) and (iii) individually reach, exceed or fall below the threshold.

The Company has not introduced any additional disclosure thresholds in its Articles of Association, as confirmed by Article 12 of its Articles of Association.

The above disclosure obligations arise each time the above thresholds are reached or exceeded (downwards or upwards), for example as a result of:

- the acquisition or transfer of voting securities or securities that carry the right to acquire existing voting securities, regardless of how the acquisition or transfer takes place, for example by means of a purchase, sale, exchange, contribution, merger, split or succession;
- events that have altered the distribution of the voting rights, even if no acquisition or transfer has taken place (this means that these thresholds have been passively exceeded);
- the conclusion, amendment or termination of an agreement about cooperating with others;
- stakeholdership when an issuer's shares are first admitted to trading on the regulated market; or
- the acquisition or transfer of voting rights or the right to exercise voting rights.

The disclosure provisions apply to any natural or legal person who "directly" or "indirectly" acquires, transfers or holds securities as referred to in the first paragraph of this Chapter 6.7.6. In this context, a natural or legal person is considered to acquire, transfer or hold company voting securities "indirectly":

- when voting rights (which are considered to be attached to securities) as referred to in the first paragraph of this Chapter 6.7.6 are acquired, transferred or held by a third party acting on behalf of that natural person or legal entity in their own name or otherwise;
- when voting rights (which are considered to be attached to securities) as referred to in the first paragraph of this Chapter 6.7.6 are acquired, transferred or held by a company that is controlled (within the meaning of Articles 1:14 and 1:16 of the Belgian Companies and Associations Code) by that natural person or legal entity; or
- when that natural person or legal entity acquires or transfers control of a company that holds voting rights (which are considered to be attached to securities) as referred to in the first paragraph of this Chapter 6.7.6 in the company.

If the law requires a transparency notification, this notification must be communicated to the FSMA and the Company as soon as possible and no later than within four trading days. This period starts on the trading day after the day of the event that triggered the notification obligation.

Violation of the notification obligation may lead to the suspension of the voting rights, a court order to sell the securities to a third party and/or criminal liability. The FSMA may also impose administrative sanctions.

The Company must publish the information it receives in such a notification within three trading days of receipt of the notification. The Company must also disclose its shareholding structure (as evidenced by the received notifications) in the notes to its annual financial statement. The Company must also publish the total share capital, the total number of securities and voting rights and the total number of voting securities and voting rights for each category (if applicable) at the end of each calendar month if one of these numbers has changed. The Company must equally publish the total number of convertible bonds issued in voting securities (if applicable), the total number of rights – which may or may not be included in securities – to subscribe to voting securities that have not yet been issued (if applicable), the total number of voting securities that can be obtained when exercising these conversion or subscription rights, and the total number of shares without voting rights (if applicable). All transparency messages received by the Company are published in their entirety on the Company website (https://www.xior.be/nl/investor/investor-relations/shareholding-structure).

# 7. COMPANY INFORMATION

## 7.1. Name, legal form, status, registration details, registered office and other contact details

The Company is a public limited company (société anonyme/naamloze vennootschap) incorporated under Belgian law and has the status of a public regulated real estate company under Belgian law (a "**Public RREC**" or "**PRREC**"). Its name is "Xior Student Housing" or "Xior". As a Public RREC, the Company falls under the scope of application of the Law on Regulated Real Estate Companies and the Royal Decree on Regulated Real Estate Companies.

The Company is registered with the Crossroads Bank for Enterprises (Antwerp Register of Legal Entities, Antwerp division) under company number BE 0547.972.794 and with legal entity identifier (LEI) 549300JK7HFOCP0U8K85.

The Company's registered office is located at Mechelsesteenweg 34, Box 108, 2018 Antwerp, Belgium. The Board of Directors may adopt a resolution to move the registered office elsewhere in Belgium.

The Company's further contact details are:
Tel.: +32 3 257 04 89 (Head Office)
E-mail: info@xior.be
www.xior.be

The Company declares that the information on its website (www.xior.be) is not part of this Prospectus, unless such information is included in this Prospectus by reference. The information on the Company's website has also not been reviewed or approved by the FSMA.

For more information on the incorporation and status of the Company as a Public RREC, please refer to Chapter 12.1.3 (p. 348) and Chapter 5.1 (p. 50) of the Dutch version of the Annual Financial Report 2019 included in this Prospectus by reference.

## 7.2. Overview of commercial activities

### 7.2.1 Principal activities of the Company

For a description of the Company's most important business activities, reference is made to Chapter 4.1.1 (p. 42) of the Dutch version of the Annual Financial Report 2019.

### 7.2.2 Significant changes in company activities after 31 December 2019

For a description of the recent developments in the Company's business activities and trends, reference is made to Chapter 9 of this Prospectus.

## 7.3. Administrative, management and supervisory bodies and senior management

### 7.3.1 Composition, reliability, expertise and experience, other mandates and competence

For more information on the members of the administrative, management or supervisory bodies, reference is made to the following Chapters of the Dutch version of the Annual Financial Report 2019, which – insofar as they have not been amended or replaced by the contents of this Prospectus and on the understanding that Mr Arne Hermans left the Company on 1 January 2020 and is therefore no longer part of the Company's executive management – are still up to date on the date of this Prospectus (and incorporated in this Prospectus by reference):

- Company founders 6.1.3.1 (p. 80)
- Composition of the Board of Directors: 6.1.5 (p. 82-83)
- Brief description of the directors' professional careers: 6.1.6 (p. 83-84)
- Chair of the Board of Directors: 6.1.7 (p. 84)
- Reliability, expertise and experience of the members of the Board of Directors: 6.1.8 (p. 84-85)

- Managing Director and effective management: 6.1.11 (p. 87)
- Executive management: 6.1.12 (p. 87-90)
- Committees of the Board of Directors: 6.1.13 (p. 90)

Below we provide an overview of the companies (other than the Company and its subsidiaries) in which the Company directors and Mr Bastiaan Grijpink (Company CIO) have been a partner or members of the executive, management or supervisory bodies in the past five years leading up to this Prospectus and an overview of the current mandates:

1. **Ms Kathleen Van den Neste** (non-executive, independent director):
   Current mandates: vdk bank NV (member of the board of directors), Febelfin (member of the executive committee and board of directors), Retail Estates NV, PRREC (listed company) (member of the board of directors, audit committee and remuneration committee), KAA Gent CVBASO (member of the board of directors), Centrale voor Huisvesting Arrondissement Gent CVBA (director), CPP-Incofin CVBASO (director) and Gentco CVBA (director).
   Past mandates in the previous five years: /

2. **Mr Joost Uwents** (non-executive, independent director):
   Current mandates: Managing Director of WDP NV (listed), and in this context executive director/business manager of various group companies: WDP France S.A.R.L., WDP Nederland N.V. (including as permanent representative of WDP Nederland N.V. as director of WDP Development NL B.V.), Warehouses De Pauw Romania SRL, WDP Invest NV, WDP Luxembourg S.A., WVI GmbH; member of the board of directors of Unifiedpost Group NV.
   Past mandates in the previous five years: /

3. **Mr Wilfried Neven** (non-executive, independent director):
   Current mandates: Ethias NV (member of the executive committee), Ethias Services NV (director).
   Past mandates in the previous five years: Allianz Benelux NV (CEO Belgium and member of the board of directors), Allianz Nederland Groep NV (member of the management board and board of directors), Assuralia (member of the executive committee and board of directors), EDB Investments SCA (member of the supervisory board), Portima CBVA (chairman of the board of directors), Viaxis CVBA (director) and the Royal Circle of Belgian Insurers CRAB/KKVB (director).

4. **Prof. Wouter De Maeseneire** (non-executive, independent director):
   Current mandates: Vlerick Partner CVBA (Partner)
   Past mandates in the previous five years: /

5. **Christian Teunissen** (Managing Director (CEO) and executive director):
   Current mandates: His mandate as a member of the Company's Board of Directors is complemented by other mandates in the following companies (the vast majority of which do not require actual participation in the daily management): Aloxe NV, Student House Building BV, Limimmo BV, Proinvest BV, Eland Group NV, Mopro Antigoon NV, M-Building BV, Moose Real Estate BV, X-Building BV, Den Hill Diar BV, Anthonis Verzekeringen NV, Nevi BV, Livec NV, Landwin BV, Gropius BV, Coral BV, Coral Build BV, Teuvan NV, Immo DDL NV, Silex BV.
   Past mandates in the previous five years: Devimmo NV, CPG CVBA and Retail Design BV, Promiris Student NV and Alma Student NV, Mopro Zurenborg BV, Jugho BV, Off Site Europe BV, Lotta BV, B&C Enterprises Ltd.

6. **Frederik Snauwaert** (executive director (CFO) and senior manager):
   Current mandates: His mandate as a member of the Company's Board of Directors is complemented by other mandates in the following companies (the vast majority of which do not require actual participation in the daily management): Aloxe NV, CaliXto BV, Anthonis Verzekeringen NV, Eland Group NV, M-Building BV, Mopro Antigoon NV, Studium Invest GCV, Leuven Building BV, Den Hill Diar BV, PDH Invest BV, Immo DDL NV, Nevire BV, Tyche Investments BV, Silex BV, Krijgimmo BV, Boerenkrijg Construct BV, Immo Parkland BV, Charflo BV.
   Past mandates in the previous five years: Jugho BV, Lovania Properties BV, Ramberghof

BV, Mopro Zurenborg BV, Off Site Europe BV, Modesti SARL, Vere Investments SARL, Here Investments SARL, Leuven Tréfonds BV, Devimmo NV, CPG CVBA and Retail Design BV, Promiris Student NV and Alma Student NV.

7. **Bastiaan Grijpink** (CIO):
   Current mandates: Loxus Investments BV
   Past mandates in the previous five years: /

All the Company directors and Mr Bastiaan Gijpink (Company CIO) have declared that they have not been convicted of any fraudulent offences during the previous five years. All the Company directors have also declared that they have not been involved in any bankruptcy, moratorium or liquidation in the previous five years as members of an administrative, management or supervisory body. All the directors have also stated that they have not been the subject of any official or publicly expressed accusations and/or sanctions imposed by a regulatory or supervisory authority and that they have not been prevented by a court of law (i) to act as members of the administrative, management or supervisory body of an issuer of assets and liabilities, or (ii) to handle the management or operations of an issuer of assets and liabilities.

There are no family ties between the members of the administrative, management or supervisory bodies.

#### 7.3.2 Conflicts of interest, agreements with the main shareholder and restrictions on the disposal of Company shares

Except for the decisions made since 31 December 2019 on the remuneration of the Company's management, and the conflicts of interest arising from this with regard to the Company's CEO and CFO (for which Article 7:96 of the Belgian Companies and Associations Code was applied), there are no conflicts of interest with the Company's management, executive and supervisory bodies and the Company's corporate management other than those listed in Chapter 6.1.15 (p. 91-93) of the Dutch version of the Annual Financial Report 2019.

Except for promoter Aloxe NV's right of nomination, which was in force until the end of 2018 and on the basis of which Mr Christian Teunissen and Mr Frederik Snauwaert were appointed to their Company positions, there are currently no arrangements or agreements with major shareholders, clients, suppliers or other persons on the basis of which the Company directors are selected as members of the management or of administrative, management or supervisory bodies.

None of the Company directors or founders have consented to any restrictions on the disposal of the shares they hold in the Company.

#### 7.3.3 Share ownership

| Member of the Board of Directors or executive management | Number of shares (as at 24 February 2021) |
|---|---|
| Aloxe NV – Mr C. Teunissen and Mr Frederik Snauwaert (see transparency notification/public information) | |
| Mr Christian Teunissen[15]<br>Aloxe NV<br>Mr Frederik Snauwaert | 2,600<br>3,595,441<br>4,000 |
| Ms Kathleen Van den Neste | 0 |
| Mr Joost Uwents | 1,220 |
| Mr Wilfried Neven | 0 |

[15] Aloxe NV has a direct stake of 3,595,441 shares in Xior Housing NV. Aloxe NV is controlled by Mr Christian Teunissen (directly and via Nevi BV, a company which is likewise controlled by Mr Christian Teunissen).

| | |
|---|---|
| Prof. Wouter De Maeseneire | 1,347 |
| Mr Bastiaan Grijpink | 4,890 |

## 7.4. Principal shareholders

### 7.4.1 Shareholder structure on the date of this Prospectus

The following table illustrates Xior's shareholder structure on the date of this Prospectus based on the information received from the shareholders (see also transparency notifications) and/or publicly known information on Aloxe NV:

| Shareholder | % | Number of shares |
|---|---|---|
| Aloxe NV – Mr C. Teunissen and Mr Frederik Snauwaert | 17.11%[16] | 3,602,041[17] |
| AXA Investment Managers SA | 9.11%[18] | 1,743,019[19] |

The transparency notifications can be consulted on the Company website (www.xior.be under the section Investor Relations – Shareholder Structure).

### 7.4.2 Voting rights

There are no preference shares. Each of these shares entitles the holder to one vote at the general shareholders' meeting. There is no restriction on voting rights by law or under the Articles of Association.

No special rights of inspection have been granted to certain categories of shareholders.

### 7.4.3 Control and change of control

On the date of this Prospectus, the Company is not controlled within the meaning of Article 1:14 of the Belgian Companies and Associations Code.

The Company is not aware of any agreements that might lead to a change of control.

## 7.5. Transactions with related parties

For a summary of transactions with related parties, please refer to section 10.9.28 of the consolidated annual financial statements 2020, included in the F-Pages of this Prospectus. No additional transactions with related parties have taken place since 31 December 2020.

## 7.6. Financial information on the issuer's financial instruments, financial position and results

### 7.6.1 Financial statements for the twelve months preceding the date of this Prospectus

For the financial statements for the twelve months preceding this Prospectus, please refer to the consolidated financial statements for the financial year ending 12 December 2020 and the accompanying report of the Company's Statutory Auditor of 23 February 2021, which were included in full in the F-Pages of this Prospectus.

[16] Based on the most recently published denominator of 21,046,441 shares.
[17] Based on the most recent information available to the Company.
[18] Based on the denominator of 29 October 2019 as mentioned in the transparency notification of 3 April 2020, which is 19,133,129 shares.
[19] Based on the participation mentioned in the most recently received transparency notification (of 3 April 2020).

See also Chapter 4.10 of this Prospectus.

### 7.6.2 Appraisal of the property portfolio by Valuation Experts

#### *7.6.2.1 General*

The valuation of the property portfolio was drawn up by Stadim (Belgium and some of the Netherlands), Cushman & Wakefield (Netherlands and Portugal) and CBRE (Spain). The reference date of this appraisal is 31 December 2020. The valuation process within Xior is based on a structured approach by which the policy on property estimates is determined by the executive management, with approval from the Board of Directors. The executive management will evaluate this policy each year, and check whether independent valuation experts are being appointed for the respective sections of the property portfolio. Contracts will typically be concluded for a renewable three-year period, for which a double rotation obligation applies under the Law on Regulated Real Estate Companies. The selection criteria include local market knowledge, reputation, independence and insurance of the highest professional standards. The fees of the Valuation Experts are fixed for the term of their mandate and are not related to the value of the appraised properties. The independent Valuation Experts perform an external appraisal of the property portfolio each quarter. The valuation methods are determined by the external experts. The valuation method that is used is the Discounted Cash Flow method, by which the yield is assessed, together with the breakdown of the value into land, buildings and financials. This is based on detailed discounting of the financial flows based on explicit assumptions concerning the future evolution of this income and the end value. In this case, the discount rate takes account of financial interest rates on the capital markets, plus a specific risk premium for investment property. Fluctuating interest rates and inflation projections are taken into account conservatively in the appraisals. These appraisals are also tested against the unit prices listed for the sale of similar buildings, after which an adjustment is made taking into account any differences between these references and the properties concerned. The development projects (building, renovation or expansion works) are valued by deducting the costs of the project on completion from their expected value that was determined by applying the above approaches. The costs of the study phase of the building, renovation or expansion works are valued at their actual cost. The independent expert determines the fair market value on the basis of a discounted cash flow model. The appraisals thus reached are also compared to the initial yield and available comparison points from recent market transactions for similar properties (including properties acquired by Xior itself during that year). The valuation cycle within a financial year consists of a visit to the site, followed by a detailed appraisal report that is drawn up for each individual building and three desktop reviews in which new data supplied by Xior in relation to the tenancy situation is considered and the main assumptions relating to the significant non-observable inputs are rationalised.

#### *7.6.2.2 Conclusions by Valuation Experts Stadim, Cushman & Wakefield and CBRE as at 31 December 2020*

*"Dear Sir or Madam,*

*We are pleased to present our appraisal of the value of the property portfolio of Xior Student Housing NV as at 31 December 2020: Stadim: 57 properties in Belgium and 25 properties in the Netherlands; Cushman & Wakefield Nederland: 20 properties in the Netherlands; Cushman & Wakefield Portugal: 5 properties; and CBRE Spain: 5 properties.*

*Xior has appointed us to determine the investment value and fair value of its property portfolio as independent property experts. The appraisals took into account the comments and definitions stated in the reports as well as the guidelines set out in the International Valuation Standards, issued by the International Valuation Standards Council (IVSC).*

*IAS 40 defines fair value as the amount for which assets would be transferred between two well-informed parties, on a voluntary basis, and without any special interests, mutual or otherwise. IVSC considers these conditions fulfilled if the parties observe the aforementioned definition of market value. The market value must therefore be a reflection of the current tenancy agreements, the current gross margin of self-financing (or cash flow), the reasonable assumptions concerning the potential rental income and of the expected costs.*

*The notarial charges must be adapted in this context to the factual market situation. After analysing a large number of transactions the property experts, acting on the request of listed real estate companies, came to the conclusion in a working group that since property can be transferred in various ways, the impact of the transaction fees on large investment properties in the Belgian market, whose value exceeds EUR°2.5 million, is limited to 2.5%. The value including the transaction fees payable by the purchaser is therefore the fair value plus 2.5% in notarial charges. The fair value is therefore calculated by dividing the value including the transaction fees by 1.025. Properties valued at less than the EUR°2.5 million threshold and foreign companies fall under the normal registration duty and their fair value thus corresponds with the value that includes the transaction fees payable by the purchaser.*

*We have acted as independent experts. As property experts, we hold a relevant and accredited qualification and have up-to-date experience with properties of a similar type and location to those in Xior's property portfolio.*

*The appraisal of the properties took both the current tenancy agreements and all rights and obligations arising from these agreements into consideration. Each property was appraised separately. The appraisal does not take account of potential added value that could be achieved by offering the entire portfolio for sale. Our appraisals do not take into account any marketing costs inherent to a transaction, such as estate agent fees or advertising costs. In addition to an annual inspection of the properties concerned, our appraisals are also based on the information supplied by Xior in relation to the tenancy situation, floor areas, drawings or plans, rental charges and taxes in relation to the specific property, conformity and any environmental pollution. The information provided was considered to be accurate and complete. Our appraisals assume that any non-disclosed information is not of such a nature as to influence the value of the property.*

*Based on the comments above, we can confirm that the fair value of the part of Xior's property portfolio appraised by Stadim (57 properties in Belgium and 25 in the Netherlands) was EUR°1,159,766,900 (one billion one hundred and fifty nine million, seven hundred and sixty-six thousand, nine hundred euros) as at 31 December 2020.*

*Based on the comments above, we can confirm that the rounded fair value of the part of Xior's property portfolio appraised by Cushman & Wakefield Nederland (20 properties in the Netherlands) was EUR°271,820,000 (two hundred and seventy-one million, eight hundred and twenty thousand euros) as at 31 December 2020.*
*Based on the comments above, we can confirm that the rounded fair value of the part of Xior's property portfolio appraised by Cushman & Wakefield Portugal (5 properties in Portugal) was EUR°76,213,000 (seventy-six million, two hundred and thirteen thousand euros) as at 31 December 2020.*

*Based on the comments above, we can confirm that the rounded fair value of the part of Xior's property portfolio appraised by CBRE Spain (5 buildings in Spain) was EUR°172,830,900 (one hundred and seventy-two million, eight hundred and thirty thousand, nine hundred euros) as at 31 December 2020.*

*Yours faithfully,*

*Stadim*

*Cushman & Wakefield*

*Cushman & Wakefield*

*CBRE."*

#### *7.6.2.3 Material valuation uncertainty due to COVID-19 with regard to the Company's Spanish and Portuguese real estate*

The valuation reports on the Company's real estate in Spain and Portugal include a so-called "material valuation uncertainty" clause, and state that they take into account the outbreak of the new coronavirus (COVID-19), which was declared a "global pandemic" by the World Health Organisation on 11 March 2020, and its overall impact on the financial markets. As the current COVID-19 response means that valuation experts are faced with an unprecedented set of circumstances that can be assessed, the valuations are reported based on "material valuation uncertainty" as described in VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, there is a lower degree of certainty – and greater caution is required – with regard to the values mentioned in the valuation reports, than would be the case in normal market conditions. Given the unknown future impact of "COVID-19" on the real estate market, the valuation experts recommend that the valuations are reviewed on a regular basis.

#### 7.6.3 Pending or impending future governmental intervention, lawsuits and arbitration proceedings

With the exception of the following (impending) legal procedures included in Chapter 10.9.36 of the consolidated financial statements for the financial year ending 31 December 2020, which were included in the F-Pages of this Prospectus, the Company is not or has not been, to the best of its knowledge, involved in any pending or impending future government interventions, lawsuits or arbitration proceedings in the twelve months leading up to the date of this Prospectus that may have or have recently had a significant impact on the Company's financial position or profitability:

#### 7.6.4 Significant changes in the Company's financial position after 31 December 2020

The Company's financial position has not significantly changed since 31 December 2020.

However, we refer to Chapter 9.1 of this Prospectus for more information on major events after 31 December 2020.

#### 7.6.5 Important agreements that are not part of the normal business operations

There are no important agreements that are not part of the normal business operations.

#### 7.6.6 Capital and other securities

The Company's total capital is EUR 378,835,938, which is represented by 21,046,441 fully paid-up ordinary shares. There are no outstanding options, warrants or convertible bonds that carry the right to shares, and no preference shares or shares without voting rights.

### 7.7. Summary of the regulated information published in the past twelve months (within the meaning of Article 2, Section 1, 9° of the Royal Decree of 14 November 2007) and transactions by managers (within the meaning of Article 19 of the Market Abuse Regulation)

For an overview of the regulated information that the Company has provided in the last twelve months in accordance with the Royal Decree of 14 November 2007, please refer to the "Press Releases" tab on the Company website (https://www.xior.be/nl/investor/press).

For an overview of the transactions with the Company's shares reported by Company managers over the past twelve months in accordance with Article 19 of the Market Abuse Regulation, reference is made to the FSMA web page that publishes the reported transactions (https://www.fsma.be/en/transaction-search?field_issuer_tid=7115&submit=Zoeken).

# 8. TERMS AND CONDITIONS OF THE OFFER

## 8.1. Terms and conditions, information on the Offer, expected Timetable and action to be taken to accept the Offer

### 8.1.1 Terms and conditions of the Offer

On 23 February 2021 (after the end of trading), the Company's Board of Directors decided to increase the Company's capital in the context of the authorised capital in accordance with Article 7:198 of the Belgian Companies and Associations Code and Article 7 of the Articles of Association by means of a contribution in cash of maximum EUR 178,894,740.00, including the issue premium, lifting the statutory pre-emptive rights, but granting Priority Allocation Rights to the Existing Shareholders (see also Chapters 6.6.3 and 6.6.7 of this Prospectus).

Article 26, Section 1 of the Law on Regulated Real Estate Companies stipulates that pre-emptive rights in case of a capital increase in cash can only be restricted or cancelled if the Existing Shareholders are granted priority allocation rights when the new securities are allocated. This priority 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.
- The public subscription period must be open for at least three trading days.

The Priority Allocation Right granted to the Existing Shareholders under the Offer meets those requirements.

From a practical point of view, there is only a limited difference between the Priority Allocation Rights as stipulated in the Offer and the statutory pre-emptive rights. The Offer's procedure is not really any different from the procedure that would have applied if the Offer had taken place with statutory pre-emptive rights as provided under the applicable company legislation. More specifically, the Priority Allocation Rights will be detached from the underlying Existing Shares and, as for issues with statutory pre-emptive right, they will be freely and separately tradable on the Euronext Brussels regulated market during the Subscription Period. As an exception to the procedure that would have been applicable if the Offer had taken place with a statutory pre-emptive right, the Subscription Period will only be eight calendar days rather than at least fifteen 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 statutory pre-emptive rights under Article 7:189 of the Belgian Companies and Associations 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 Priority Allocation Rights or Scrips.

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

- The Underwriting Agreement is signed and this agreement is not terminated by implementing one of its provisions (see Chapter 8.4.3 of this Prospectus).
- Aloxe NV, Mr Christian Teunissen and/or Mr Frederik Snauwaert must not, either directly or indirectly, jointly or in cooperation, hold more than 30% of the Company's voting securities individually immediately after the capital increase.
- It is confirmed that the Priority Allocation Rights and the New Shares have been admitted to trading 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 Chapter 8.1.5 of this Prospectus).

### 8.1.2 Maximum amount (but no minimum amount) for the Offer

The maximum amount for the Offer, including the issue premium, is EUR 178,894,740.00. No minimum amount has been set for the Offer. Up to 4,209,288 New Shares will therefore be issued.

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

### 8.1.3 No minimum or maximum amount for subscriptions to the Offer

With the exception of the Subscription Ratio, there is no minimum or maximum amount for the Offer's subscription. All New Shares to which the Existing Shareholders or holders of Priority Allocation Rights and subscribers via Scrips subscribe based on the Subscription Ratio will be allocated to them. All subscriptions are binding and irrevocable, except what is described in Chapter 8.1.7 of this Prospectus.

### 8.1.4 Action to be taken to accept the Offer

Subscription to the New Shares by exercising Priority Allocation Rights is possible during the entire Subscription Period from 25 February 2021 up to and including 4 March 2021 according to the Timetable. The Subscription Period cannot be closed early.

During the Subscription Period, holders of Priority Allocation Rights can subscribe to New Shares according to the following ratio: 1 New Share for 5 Priority Allocation Rights (the "**Subscription Ratio**").

The Priority Allocation Right is represented by coupon no. 18 attached to the Existing Shares. The Priority Allocation Right will be detached on 24 February 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 a Priority Allocation Right for each Share held at the end of the trading day of 24 February 2021.

Existing Shareholders holding their registered Shares will receive a notification from the Company informing them of the number of Priority Allocation Rights they hold and the procedure to be followed for exercising or trading their Priority Allocation Rights:

1. Existing Shareholders holding registered Shares who wish to exercise their Priority Allocation Rights in a valid way must send the relevant form on time so that the Company receives it by 3 p.m. CET on 4 March 2021 at the latest. They also need to pay the total Issue Price on time (as stated in Chapter 8.1.8 of this Prospectus).
   **IMPORTANT:** The total Issue Price of the number of New Shares that an Existing Shareholder who holds registered Shares wishes to subscribe to (which is the Issue Price multiplied by that number of New Shares) must be received in the bank account mentioned in the letters to the registered Shareholders (credit) by 3 p.m. CET on 4 March 2021 at the latest. This is a prerequisite for the issue and delivery of the New Shares to which the Existing Shareholders holding registered Shares are entitled. If the payment (credit) into this account is incorrect or late, the Priority Allocation Rights will be considered as non-exercised and the Underwriters will offer them for sale as Scrips to Belgian and international institutional investors in the Private Placement of Scrips. To ensure that the total Issue Price is received on time, the Company advises the Existing Shareholders holding registered Shares to give the necessary instructions to their financial institution in due time. The Company will return any late payments.
2. The Existing Shareholders holding registered Shares who wish to trade their Priority Allocation Rights or transfer them to a custody account must send the relevant form on time so that the Company receives it by 9 a.m. CET on 2 March 2021 at the latest.

Shareholders holding Shares in a custody account are informed by their financial institution of the procedure to be followed to exercise or trade their Priority Allocation Rights.

It is not possible to combine registered Priority Allocation Rights and dematerialised Priority Allocation Rights in order to subscribe to New Shares.

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

Investors who wish to subscribe to the Offer can acquire Priority 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 Priority Allocation Rights by the end of the Subscription Period on 4 March 2021 will no longer be able to exercise those rights after this date.

The (i) Priority Allocation Rights that were not exercised on the closing date of the Subscription Period and (ii) registered Priority Allocation Rights (x) for which a duly completed subscription form or request for dematerialisation was not received in time, (y) which have not been sold by in the name of the Company and for the account of the relevant registered shareholder by ING Belgium NV (notwithstanding any instruction in the subscription form), or (z) for which the total Issue Price was not paid on time (and which therefore qualify as non-exercised Priority Allocation Rights) will automatically be converted into an equal number of Scrips. The Underwriters will offer these Scrips for sale to Belgian and international institutional investors through the Private Placement of Scrips.

The Private Placement of Scrips will take place as soon as possible after the closing of the Subscription Period. In principle, this is on 5 March 2021. On the date of the press release about the results of the subscription with Priority Allocation Rights planned on 5 March 2021, 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 buyers of Scrips will have to subscribe to the New Shares still available at the Issue Price and in accordance with the Subscription Ratio applicable to the subscription by exercising the Priority Allocation Rights.

The sale price of the Scrips will be set jointly by the Company and the Underwriters based on the results of the accelerated bookbuild offering in the context of the Private Placement of Scrips. The net proceeds from the sale of these Scrips minus the costs, expenses and charges of any kind incurred by the Company in the context of the Private Placement of Scrips (the "**Excess Amount**") will be distributed proportionally among all holders of (i) Priority Allocation Rights that were not exercised by the closing date of the Subscription Period and (ii) registered Priority Allocation Rights (x) for which a duly completed subscription form or request for dematerialisation was not received in time, (y) which have not been sold by in the name of the Company and for the account of the relevant registered shareholder by ING Belgium NV (notwithstanding any instruction in the subscription form), or (z) for which the total Issue Price was not paid on time (and which therefore qualify as non-exercised Priority Allocation Rights), upon presentation of coupon no. 18 in principle from 12 March 2021. However, in the event that the Excess Amount divided by the total number of non-exercised Priority Allocation Rights (or those qualifying as such) is less than EUR 0.01 per Scrip, it will not be distributed, and it will be transferred and provided to the Company. In principle, the Excess Amount will be published on 5 March 2021 in a press release.

#### 8.1.5 Withdrawal and suspension of the Offer

The Company reserves the right to withdraw or suspend the Offer before, during or after the Subscription Period and in any case before the New Shares start trading on Euronext Brussels, if (i) no Underwriting Agreement is signed or an event takes place that allows the Underwriters to terminate their commitment under the Underwriting Agreement, provided that such an event is likely to significantly and adversely affect the success of the Offer or the trading of the New Shares on the secondary market (see also Chapter 8.4.3 of this Prospectus), (ii) Aloxe NV, Mr Christian Teunissen and/or Mr Frederik Snauwaert hold more than 30% of the Company's voting securities directly or indirectly, individually, jointly or in cooperation immediately after the capital increase (see also Chapters 8.2.2 and 8.2.3 of this Prospectus on the irrevocable and unconditional subscription commitment of the Company's main shareholder, Aloxe NV, and the intentions of the members of the Company's board of directors and management team), and/or (iii) there is no confirmation of the admission of the Priority Allocation Rights and the New Shares to trading on the Euronext Brussels regulated market after their respective detachment or issue.

Following the decision to withdraw the Offer, subscriptions to New Shares will automatically expire and have no effect. The Priority 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 Priority Allocation Rights (or Scrips) on the secondary market. Investors who bought such Priority Allocation Rights (or Scrips) on the secondary market will consequently suffer a loss, as the trading in Priority Allocation Rights (or Scrips) will not be cancelled when the Offer is withdrawn. Neither the Company, the Underwriters nor Euronext Brussels SA/NV accept any liability for any losses suffered as a result of the Offer's withdrawal or suspension and the resulting cancellation of transactions on the Euronext Brussels regulated market.

If it is decided to withdraw or suspend the Offer, the Company will issue a press release and a supplement to this Prospectus if this is required by law.

#### 8.1.6 Subscription reduction

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

The Scrips will be allocated by the Underwriters in consultation with the Company (this includes the allocation in case of oversubscription) and distributed among the Belgian and international institutional investors who have offered to acquire them in the context of the Private Placement of Scrips, based on criteria such as the nature and quality of the investor in question, the number of securities requested and the price offered.

#### 8.1.7 Withdrawal of the subscription orders

Subscription orders are binding and must not be withdrawn, except if a supplement to the Prospectus is published in accordance with Article 23(1) of the Prospectus Regulation and as provided for in Article 23(2) of the Prospectus Regulation, which states that "*investors who have already agreed to purchase or subscribe for the securities before the supplement is published* [have] *the right, exercisable within two working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy* [as referred to in Article 23(1) of the Prospectus Regulation] *arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first*". The Company can extend this period and the deadline for revoking subscription orders is mentioned in the supplement to the Prospectus.

Subscribers who withdraw their subscription in accordance with the above will receive a refund of any Issue Price already paid. Any Priority Allocation Right or Scrip for which the subscription was withdrawn during the subscription period will be considered as not exercised in the context of the Offer. Holders of such Priority Allocation Rights can consequently share in any Excess Amount as the case may be. However, subscribers who withdraw their order after the end of the Subscription Period will not be able to share in any Excess Amount and will therefore not be compensated in any other way. This also applies to the purchase price (and any related expenses or taxes) paid to acquire the Priority Allocation Rights, as the Priority Allocation Rights associated with these subscription orders cannot be offered within the Private Placement of Scrips.

#### 8.1.8 Payment and delivery of the New Shares

The subscribers must pay the Issue Price in euros in full together with all applicable stock exchange taxes and fees (see Chapters 6.5 and 8.4.1 of this Prospectus). Subscriptions to the Offer may be registered directly and without charge for Existing Shareholders or holders of Priority Allocation Rights, as set out in Chapter 8.4.1 of this Prospectus, or indirectly via another financial intermediary. Subscribers to the Offer are requested to obtain the necessary information on any costs such other financial intermediaries may charge. They must pay those costs themselves.

The subscriptions to New Shares following the exercise of dematerialised Priority Allocation Rights or Scrips will be paid by debiting the subscribers' accounts, in principle on 9 March 2021.

The registered Existing Shareholders will receive a letter on the subscription terms and the payment due date for the subscription to the New Shares after the registered Priority Allocation Rights are exercised. In particular, the Issue Price for the corresponding New Shares subscribed to by an Existing Shareholder holding registered Shares during the Subscription Period must have reached the bank account mentioned in the letters to the registered Existing Shareholders by 3 p.m. CET on 4 March 2021 at the latest. This is a prerequisite for proceeding with the issue and delivery of the New Shares to which the Existing Shareholders holding registered Shares have subscribed. To ensure that this Issue Price is received on time, the Company advises the Existing Shareholders holding registered Shares to give the necessary instructions to their financial institution in due time. The Company will return any late payments.

New Shares issued based on registered Priority Allocation Rights will be included as registered shares in the Company's shareholders' register on or around 9 March 2021. New shares issued based on dematerialised Priority Allocation Rights will be delivered in dematerialised form on or around 9 March 2021.

#### 8.1.9 Disclosure of the results

The result of the subscriptions to New Shares because of exercised Priority Allocation Rights in the context of the Public Offering will be announced in a press release on the Company website on 5 March 2021. On the publication date of this press release, the Company will request the suspension of trading in the Shares from market opening on 5 March 2021 until the publication of the press release containing the final Offer's results (including the results from the Private Placement of Scrips) is published on the Company website.

The result of the subscriptions to New Shares because of the exercised Private Placement of Scrips and the Excess Amount belonging to holders of non-exercised Priority Allocation Rights (or Priority Allocation Rights qualified as such) will be announced in a press release on 5 March 2021.

#### 8.1.10 Expected Offer Timetable

| | |
|---|---|
| Decision by the Board of Directors to increase the share capital | 23 February 2021 (after the end of trading) |
| Board of Directors sets the Issue Price / the Subscription Ratio / the Offer amount | 23 February 2021 (after the end of trading) |
| Approval of this Prospectus by the FSMA | 24 February 2021 |
| Annual Communiqué – Publication of the Annual Results 2020 | 24 February 2021 (before the start of trading) |
| Press release announcing the Offer, the Offer's terms and the launch of the Subscription Period | 24 February 2021 (before the start of trading) |
| Detachment of coupon no. 16, which represents the dividend right for the financial year 2020 for the period from 25 November 2020 | 24 February 2021 (after the end of trading) |

| | |
|---|---|
| (inclusive) up to and including 31 December 2020[20], which will not be allocated to the New Shares | |
| Detachment of coupon no. 17, which represents the proportionate dividend right for the current financial year 2021 for the period from 1 January 2021 (inclusive) up to and including 8 March 2021, which will not be allocated to the New Shares | 24 February 2021 (after the end of trading) |
| Detachment of coupon no. 18 to exercise the Priority Allocation Right | 24 February 2021 (after the end of trading) |
| Publication of the Prospectus on the Company website | 25 February 2021 (before the start of trading) |
| Subscription Period opening date | 25 February 2021 |
| Deadline by which the Company must receive the forms from Existing Shareholders who wish to keep their registered Shares and trade their Priority Allocation Rights or transfer them to a custody account | 2 March 2021, before 9 a.m. CET |
| Deadline by which (i) the Company must receive the subscription form from Existing Shareholders who wish to keep their registered Shares and exercise their Priority Allocation Rights and (ii) the Issue Price must be paid by said persons | 4 March 2021, before 3 p.m. CET |
| Subscription Period closing date | 4 March 2021 |
| Suspension of the Share's trading (at the Company's request) until the publication of the press release about the Offer's results (which includes the Private Placement) | 5 March 2021 (at the start of trading) |
| Press release about the results of the Public Offering (published on the Company website) | 5 March 2021 |
| Private Placement of Scrips | 5 March 2021 |
| Press release about the Offer's results (including the Private Placement) and any Excess Amount, followed by the resumption of trading in the Shares | 5 March 2021 |
| Payment of the subscribed New Shares with dematerialised Priority Allocation Rights and Scrips | 9 March 2021 (before the start of trading) |
| Conclusion of the realisation of the capital increase | 9 March 2021 (before the start of trading) |
| Delivery of the New Shares to subscribers | 9 March 2021 |
| Admission to trading of the New Shares on the Euronext Brussels regulated market | 9 March 2021 |
| Press release about the share capital increase and the new denominator for transparency regulation purposes | 9 March 2021 |
| Payment of the Excess Amount | From 12 March 2021 |

The Company can adjust the dates and times of the capital increase and the period indicated in the above Timetable and in this 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 this Prospectus if legally required in accordance with Chapter 4.4 of this Prospectus.

## 8.2. Plan for the marketing and allocation of the New Shares

### 8.2.1 Categories of potential investors – Countries in which the Offer will be open –

[20] Coupon number 15, which represents the dividend right for the financial year 2020 from 7 October 2020 up to and including 24 November 2020, was already detached from the Existing Shares on 22 November 2020 (after the end of trading).

Valid Offer restrictions

*8.2.1.1 Category of potential investors*

As the Offer is made with a priority allocation right, Priority Allocation Rights are granted to all Existing Shareholders.

The following can subscribe to the New Shares: (i) Existing Shareholders, holders of Priority Allocation Rights; (ii) persons who have acquired Priority Allocation Rights either on the Euronext Brussels regulated market or privately; (iii) investors who have acquired Scrips in the context of the Private Placement of Scrips as described in Chapter 8.1.4 of this Prospectus.

*8.2.1.2 Countries in which the Offer will be open*

The Public Offering will only be open to the public in Belgium. Holders of Priority Allocation Rights can only exercise the Priority 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 actions to allow the statutory exercise of the Priority Allocation Rights and the subscription to the New Shares associated with the Priority Allocation Rights by the public in Belgium. The Company has not taken any action to allow the Public Offering in jurisdictions outside Belgium.

The Company reserves the right, at its sole discretion, to issue New Shares to (i) certain Shareholders resident in the United Kingdom, pursuant to any non-real-time communication or requested real-time communication, if there are reasonable grounds to believe that the recipient is a member of the Company in accordance with Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended, and (ii) certain Shareholders resident in the United States, if they are qualified institutional buyers ("**QIBs**"), as defined in Rule 144A under the US Securities Act, or accredited investors ("**Accredited Investors**") as defined in Rule 501 of Regulation D under the US Securities Act, pursuant to the exception provided by Section 4(a)(2) under the US Securities Act. The Company will only do this if a Shareholder has contacted the Company based on a "reverse inquiry" and has certified that they (i) are an existing Shareholder, (ii) are a QIB and an Accredited Investor, and (iii) have agreed to certain transfer restrictions for New Shares by signing and providing a "QIB Investor Representation Letter" to the Company. The Priority Allocation Rights and the Scrips will not be offered in or to the United States.

As described in Chapter 8.1.4 of this Prospectus, the Priority Allocation Rights that have not been exercised (or qualified as such) after the end of the Subscription Period will be offered for sale by the Underwriters in the form of Scrips to Belgian and international institutional investors in the context of the Private Placement of Scrips. Investors acquiring Scrips in this context will be irrevocably committed to exercise them and subscribe to the New Shares at the Issue Price.

### 8.2.2 Intentions of the Company's Shareholders

Xior's main shareholder, Aloxe NV, has irrevocably and unconditionally committed to subscribe to the Offer to the maximum extent possible for 719,088 New Shares by exercising the Priority Allocation Rights associated with the Existing Shares that it now holds.

Approximately EUR 30.6 million of the total Offer amount, representing approximately 17.08% of the New Shares on offer, is therefore subject to a fixed subscription commitment.

Other than what is mentioned in Chapter 8.2.3 of this Prospectus, the Company has no information on whether or not the Existing Shareholders will subscribe to the Offer.

### 8.2.3 Intentions of the members of the Board of Directors and the management team

All members of the management team and the Company's 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 the main shareholder Aloxe NV we refer to Chapter 8.2.2 of this Prospectus). Mr Bastiaan Grijpink (CIO and Country Manager Iberia of the Company) has also indicated that he was interested in purchasing additional Priority Allocation Rights on the Euronext Brussels regulated market or privately during the Subscription Period.

#### 8.2.4 Intentions of other persons

The Company is not aware of whether any other persons intend to subscribe for more than 5% of the New Shares.

#### 8.2.5 Notification to the subscribers

As the Offer is made with priority allocation right, only holders of Priority Allocation Rights who have exercised their rights and subscribers via Scrips can be certain that they will receive the number of New Shares to which they have subscribed, subject to the Offer's completion. The Offer's results will be published in a press release on 5 March 2021.

### 8.3. Issue Price

The Issue Price is EUR 42.50 and has been set by the Company in consultation with the Underwriters based on the Share's stock market price on the Euronext Brussels regulated market as at 23 February 2021 and taking into account a discount generally granted for this type of transaction.

The Issue Price is 11.46% lower than the Share's closing price on the Euronext Brussels regulated market on 23 February 2021 (which was EUR 48.40), adjusted to take into account the estimated value of coupons no. 16[21] and 17[22] detached on 24 February 2021 (after the end of trading), or EUR 48.00 after this adjustment. Based on this closing price, the theoretical ex-rights price (or "TERP") is EUR 47.08, the theoretical value of a Priority Allocation Right EUR°0.92 and the discount of the Issue Price compared to the TERP 9.73%. The Issue Price discount compared to the TERP based on the Share's Volume-Weighted Average Price ("VWAP") on the Euronext Brussels regulated market during the five trading days immediately preceding the date of this Prospectus (adjusted to take into account the estimated value of coupons no. 16[23] and 17[24]), which is EUR 47.57[25], is 10.66%.

Besides the Issue Price, the subscribers must pay all applicable stock exchange taxes and fees (see Chapters 6.5 and 8.4.1 of this Prospectus).

### 8.4. Placement and soft underwriting

#### 8.4.1 Local offices

The subscription requests can be submitted directly and free of charge to the local branches of Belfius Bank, ING Belgium, BNP Paribas Fortis, ABN AMRO and KBC Securities.

The subscription requests can also be submitted via any other financial intermediary. The investors are invited to gain information on any costs such other financial intermediaries may charge.

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[21] If the proposed gross dividend for the financial year 2020 is approved at the Annual General Meeting of 20 May 2021, coupon no. 16, which represents the gross dividend for the financial year 2020 for the period starting from 25 November 2020 (inclusive) up to and including 31 December 2020, will represent EUR°0.1375 (see Chapter°6.6.1.2 of this Prospectus for more information).
[22] The Company's Board of Directors estimates the gross dividend for the financial year 2021 at EUR 1.44 per share (see also Chapters 6.6.1 and 9.2.2 of this Prospectus). As a result, the Company's Board of Directors estimates coupon no. 17, which represents the right to the proportionate gross dividend for the current financial year 2021 for the period from 1 January 2021 up to and including 8 March 2021 at EUR 0.2643 per Share. Of course, these estimates are subject to the results of the financial year 2021 and the approval of the Ordinary General Meeting, which will decide on the dividend to be paid with respect to the financial year 2021.
[23] EUR°0.1375 (see footnote no. 21).
[24] EUR°0.2643 (see footnote no. 22).
[25] Based on the five-day VWAP of EUR°48.99 as published on Bloomberg.

The purchase and sale of Priority Allocation Rights may be subject to a charge. The investors are invited to gain information on any costs such other financial intermediaries may charge.

### 8.4.2 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.

### 8.4.3 Underwriting Agreement

The Underwriters and the Company have committed to negotiate an agreement in good faith that will include the contractual arrangements between them regarding the Offer: the "**Underwriting Agreement**"). Such an agreement must only be entered into after the completion of the Private Placement of Scrips 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 the Underwriting Agreement is concluded, it is expected to contain a certain number of elements and the following principles:

- The Underwriters will commit individually and not severally to subscribe to a number of New Shares at the Issue Price based on the subscription by investors who exercised Priority Allocation Rights during the Subscription Period and by investors who acquired Scrips during the Private Placement of Scrips, with the exception of the offered New Shares Aloxe NV will subscribe to (719,088 New Shares, which is 17.08% of the total number of offered New Shares in the context of the Offer) under its unconditional and irrevocable commitment as stated in Chapter 8.2.2 of this Prospectus.
- 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 subscribed to by investors other than Aloxe NV who exercised their Priority Allocation Rights during the Subscription Period, and by institutional investors through Scrips ("soft underwriting").
- The Underwriters' "soft underwriting" of the New Shares subscribed to by the above investors will follow certain proportions:

| | |
|---|---|
| Belfius Bank | 25.00% |
| ING Belgium | 25.00% |
| BNP Paribas Fortis | 20.00% |
| ABN AMRO | 15.00% |
| KBC Securities | 15.00% |

- The Company will have to make certain statements, provide certain guarantees and indemnify the Underwriters against certain liabilities in the Underwriting Agreement.
- A provision must be included stating that every Joint Global Coordinator and any Joint Bookrunner is entitled to terminate the Underwriting Agreement between the Underwriting Agreement's signature date and the Delivery Date – if possible after consulting the Company and the other Underwriters first (on the understanding that consultation will always take place) – if, in their opinion, one or several of the following circumstances arise:
    - A statement in the Offer documents is, becomes or proves to be untrue, incorrect or misleading in the reasonable opinion of the Joint Global Coordinators and Joint Bookrunners.
    - An event occurs that makes the Offer documents materially incorrect or incomplete in the reasonable opinion of the Joint Global Coordinators and Joint Bookrunners.
    - An event occurs that, in the reasonable opinion of the Joint Global Coordinators and Joint Bookrunners, requires an additional publication under Belgian law (including a supplement or amendment to the Prospectus or other Offer documents) and they have not expressly confirmed that they will waive (i) this condition and (ii) the breach of the Company's declaration and guarantee that (x) this Prospectus does not and will not contain any untrue statement about a

material fact or leave out a material fact that must be stated in it to ensure that its statements are not misleading under the circumstances when they were made, or that (if it were included) the meaning or the importance of the Prospectus' statements would materially change, and (y) this Prospectus contains and will contain all material information necessary to enable investors and their professional advisers to make an informed investment decision based on the Company's characteristics, operations, financial position, prospects, financial information and results and the rights attached to the New Shares.

- The Company has materially breached a statement or Underwriting Agreement guarantee.
- The Company fails to observe its commitments under the Underwriting Agreement on time.
- One of the Underwriters fails to observe its obligations under the Underwriting Agreement (in which case the other Underwriters have the right, but not the obligation, to jointly take the necessary steps to ensure that such defaulting Underwriters "soft underwrite" the New Shares).
- In the reasonable opinion of the Joint Global Coordinators and the Joint Bookrunners, a situation has occurred or is likely to occur since the date of the Underwriting Agreement (regardless of whether this was foreseeable at the time the Underwriting Agreement was signed) that has, or could reasonably have, a material and adverse effect on the assets, properties, obligations, activities, business, prospects, operating results or condition (financial or otherwise) of the Company and its perimeter companies, or the Company's ability to generally meet its obligations or complete the Offer, other than those set out in the Prospectus, bearing in mind that such an effect will be deemed to have occurred in all cases where isolated events would not have such an effect, but the sum of two or more of such events together would have such an effect.
- Some or all of the conditions precedent (including the submission of certain documents to the Joint Global Coordinators and Joint Bookrunners, such as legal opinions, comfort letters and reliance letters) stipulated in the Underwriting Agreement are not met unless they are waived by the Joint Global Coordinators and the Joint Bookrunners.
- One of the following specific events has occurred or is likely to occur: (i) general stock trading on the Euronext Brussels regulated market is suspended or materially 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, Amsterdam or London or there is a material interruption in the commercial banking activities or the systems for securities settlement in Belgium or the Netherlands; (iv) hostilities, terrorist acts or other emergencies or crises affecting Belgium, the Netherlands, the United Kingdom or the United States of America arise or worsen or the COVID-19 crisis in Belgium, the Netherlands or the United Kingdom escalates compared to the situation on the date of the Underwriting Agreement, insofar as in the Joint Global Coordinators and 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 Global Coordinators and 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.
- The Company does not issue the number of New Shares it has committed to on the Delivery Date.

A supplement to this 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. See also Chapter 8.1.5 of this Prospectus.

The Company will pay the Underwriters' fees. The maximum Underwriters' fee, including a possible discretionary fee, has been set at approximately EUR 2.7 million in case of a full subscription to the Offer. The Company has agreed to pay back to the Underwriters certain expenses incurred with respect to the Offer. See also Chapter 8.8 of this Prospectus.

## 8.5. Standstill and lock-up arrangements

The Underwriting Agreement is expected to say that the Company will (i) not issue, sell or attempt to sell Shares, subscription rights or other securities for cash contributions, request subscription to such securities for cash contributions, allocate any options, convertible securities or other rights to subscribe to Shares or acquire them for cash contributions, or enter into any agreement (including derivative transactions) or arrangement with a similar security and/or (ii) not buy own Shares or reduce its own capital (in any way other than what is described in this Prospectus), for a period of ninety calendar days from the date of the New Shares' admission to trading on the Euronext Brussels regulated market (which is until 8 June 2021) unless the Joint Global Coordinators and Joint Bookrunners have given their prior written consent (which will be considered in good faith and will not be unreasonably withheld or postponed).

However, the foregoing does not affect the Company's ability to issue new Shares, subscription rights or other securities (i) to employees, consultants, directors or other service providers as part of a recruitment, incentive or remuneration plan (and, where appropriate, the acquisition of Shares by the Company with a view to the transfer of such Shares to such persons) or (ii) in the context of the acquisition of (rights to) real estate through an estate contribution, a business department contribution or an assets contribution (or a contribution of liabilities arising from unpaid acquisitions of (rights to) real estate), a merger and/or a (partial) demerger.

The Company's reference shareholder, Aloxe NV, has made a commitment that it will not sell the Company Shares it holds on the date of the Offer's completion for a period of ninety calendar days starting from the New Shares' admission to trading ("lock-up"). The aforementioned ban on the disposal of the relevant Shares is not applicable in case of (i) a transfer of the relevant Shares to legal successors in the event of dissolution, liquidation or concurrence (provided that the legal successor observes the provisions of the lock-up commitment and thereby respects the relevant transfer restrictions for the remaining term), (ii) a merger, full or partial demerger, a business department transfer or contribution or an estate transfer or contribution (provided that the legal successor observes the provisions of the lock-up agreement and respects the relevant transfer restrictions for the remaining term), (iii) the transfer of the relevant Shares between the legal entity and its affiliated company or companies in question (provided that the affiliated companies concerned observe the provisions of the lock-up agreement and respect the relevant transfer restrictions for the remaining term and that the transferor and transferee agree that the relevant Shares will revert to the transferor when the affiliated company ceases to be an affiliated company of the transferor), (iv) the acceptance of a public takeover bid or the conclusion of an irrevocable commitment (conditional or unconditional) prior to the launch of a public takeover bid, (v) any transfer of the relevant Shares pursuant to a court order or otherwise mandated by any applicable law, (vi) any transfer of the relevant Shares in the context of a direct or indirect contribution of real estate to the Company by third parties, (vii) enforcement by creditors on account of (existing or future) securities established on the relevant Shares or any executive attachment, or (viii) consent of the Joint Global Coordinators and Joint Bookrunners.

## 8.6. Admission to trading and trading conditions

### 8.6.1 Admission to trading

The Priority Allocation Rights (coupon no. 18) will be detached on 24 February 2021 after the stock market closes and can be traded on the Euronext Brussels regulated market during the Subscription Period from 25 February 2021 up to and including 4 March 2021. The Priority Allocation Rights have ISIN code BE0970177805.

Coupon no. 16, which represents the right to a dividend for the financial year 2020 for the period from 25 November 2020 (inclusive) up to and including 31 December 2020, and coupon no. 17, which represents the right to a proportionate dividend for the current financial year starting from 1 January 2021 (inclusive) up to and including 8 March 2021, will also be detached from the Existing Shares on 24 February 2021 after the end of trading, so the Existing Shares will be traded ex-coupon no. 16, coupon no. 17 and coupon no. 18 from 25 February 2021 at the start of trading.

A request for the New Shares' admission to trading on the Euronext Brussels regulated market has been submitted. It is expected that the New Shares will be admitted to trading on Euronext Brussels when the markets open on 9 March 2021.

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

#### 8.6.2 Place of listing

The Existing Shares have been admitted to trading on the Euronext Brussels regulated market. Once the New Shares have been issued and admitted to trading on the Euronext Brussels regulated market, they can be traded together with the Existing Shares on the Euronext Brussels regulated market.

#### 8.6.3 Liquidity contract

The Company has concluded a liquidity contract with Van Lanschot Kempen Wealth Management N.V. under which the latter provides 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.

#### 8.6.4 Stabilisation – Interventions on the market

The Underwriters will not engage in any stabilisation. A liquidity contract has been signed (see Chapter 8.6.3 of this Prospectus).

### 8.7. 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.

### 8.8. Offer costs

If the Offer is fully subscribed, the Offer's gross proceeds (Issue Price multiplied by the number of New Shares) are EUR 178,894,740.00.

The Offer's net proceeds are estimated at EUR 175.0 million. The Company's Offer costs are estimated at approximately EUR 3.9 million and consist of the fees payable to the FSMA and Euronext Brussels, the Underwriters' fees, the translation costs, the cost of providing this Prospectus, the legal and administrative expenses and the publication costs.

The Underwriters' fee has been set at approximately EUR 2.7 million in case of a full subscription to the Offer, including a possible discretionary fee.

### 8.9. Dilution

#### 8.9.1 The Offer's impact on the net asset value

The Issue Price is higher than the Share's net asset value on 31 December 2020, which was EUR 31.34 (not taking into account the effect of the detachment of coupon no. 16, which represents the dividend right for the financial year 2020 for the period from 25 November 2020 (inclusive) up to and including 31 December 2020 and coupon no. 17 representing the right to the proportionate dividend for the current financial year 2021 for the period from its start (1 January 2021 (inclusive)) up to and including 8 March 2021, respectively, on a pro forma basis, EUR 30.94 on 31 December 2020 (taking into account the effect of the detachment of coupons no. 16 and no. 17).

Based on the assumption that 4,209,288 New Shares are issued, the net asset value per Share would change from EUR 31.34 (without taking into account the effect of the detachment of coupons no. 16 and no. 17) on 31 December 2020 to EUR 33.05, or on a pro forma basis from EUR 30.94 on 31 December 2020 (taking into account the effect of the detachment of coupon no. 16 and coupon no. 17) to EUR 32.71.

#### 8.9.2 The Offer's impact on the situation of Existing Shareholders who subscribe to the Offer by exercising all their Priority Allocation Rights

Existing Shareholders who exercise all their Priority Allocation Rights will not experience any dilution of voting and dividend rights, although such Existing Shareholders may still experience a dilution to the extent that (i) the Priority Allocation Rights they hold do not entitle them to subscribe to a whole number of New Shares in accordance with the Subscription Ratio, (ii) the fact that registered Priority Allocation Rights and dematerialised Priority Allocation Rights cannot be combined in order to subscribe to a New Share, and (iii) they do not acquire the number of additional Priority Allocation Rights necessary to subscribe to a whole number of New Shares.

#### 8.9.3 The Offer's impact on the situation of Existing Shareholders who do not subscribe to the Offer by exercising all their Priority Allocation Rights

Existing Shareholders who do not exercise (some of) the Priority Allocation Rights that were allocated to them:

- will undergo a future proportional dilution of their voting rights, dividend rights, rights to capital distributions (also in the context of the Company's liquidation) and other rights associated with the Shares (such as the statutory pre-emptive rights or priority allocation rights in the event of a capital increase in cash, as the case may be) for the financial year 2021 and subsequent years in the proportions described below;
- will be exposed to a financial dilution risk with respect to their stake in the Company. 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 Priority Allocation Rights granted to the Existing Shareholders should compensate for the financial impairment resulting from the dilution compared to the current stock market price. The Existing Shareholders will therefore experience a value loss if they are unable to transfer their Priority Allocation Rights at their theoretical value (or if the portion of the Excess Amount they are entitled to in that case is smaller than this theoretical value).

The Existing Shareholders may also experience dilution to the extent that (i) the Priority Allocation Rights they hold do not entitle them to subscribe to a whole number of New Shares in accordance with the Subscription Ratio, (ii) the fact that registered Priority Allocation Rights and dematerialised Priority Allocation Rights cannot be combined in order to subscribe to a New Share, and (iii) they do not acquire the number of additional Priority Allocation Rights necessary to subscribe to a whole number of New Shares.

The effects of the issue on the share of the Company's capital and the voting rights of an Existing Shareholder who holds 1% of the Company's 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 an estimated number of New Shares of 4,209,288.

| | Share of the Company's capital and voting rights |
|---|---|
| Before the issue of the New Shares | 1.00% |
| After the issue of the New Shares | 0.83% |

### 8.9.4 Shareholdership after the Offer

| | Before the capital increase | | After the capital increase[26] | |
|---|---|---|---|---|
| Aloxe NV – Mr C. Teunissen and Mr F. Snauwaert | 3,602,041[27] | 17.115%[28] | 4,322,449 | 17.115% |
| AXA Investment Managers S.A. | 1,743,019[29] | 8.282%[30] | 1,743,019 | 6.901% |
| Free float | 15,701,381 | 74.603% | 19,190,261 | 75.984% |
| **Total** | 21,046,441 | 100% | 25,225,729 | 100.00% |

[26] This table assumes that the Offer is fully subscribed and only takes into account the commitments and intentions in connection with subscriptions as notified to the company up to the date of the prospectus (see also Chapters 8.2.2 "*Intentions of the Company's Shareholders*" and 8.2.3 "*Intentions of the members of the Board of Directors and the management team*").
[27] Based on the most recent information available to the Company.
[28] Based on the most recently published denominator of 21,046,441 shares.
[29] Based on the participation mentioned in the most recently received transparency notification (of 3 April 2020).
[30] Percentage based on the numerator as stated in the most recent transparency statement of 3 April 2020 and the most recent denominator.

# 9. RECENT COMPANY DEVELOPMENTS AND TRENDS

## 9.1. Recent developments after the close of the financial year 2020

### 9.1.1 Important events of 2020 (up to and including 30 September 2020)

For an overview of important events in the first three quarters of 2020, the Company refers to:

- Chapter 2.3 "*Transactions and Achievements*" in the Half-Yearly Financial Report 2020 for the period from 1 January 2020 up to and including 30 June 2020, published on 5 August 2020; and
- Section IV. "*Key achievements in the first nine months of 2020*", Section V. "*COVID-19 update (coronavirus crisis)*" and Section VI. "*Important events after the close of the third quarter*" in the interim statement of the Company's board of directors for the third quarter of the financial year 2020 (ending 30 September 2020), published on 23 October 2020, all incorporated by reference in this Prospectus and all available on the Company website (www.xior.be).

### 9.1.2 Important events in the fourth quarter of 2020 (up to and including 31 December 2020)

#### *9.1.2.1 Exercise of call option for remaining Uhub Benfica and Uhub São João shares*

On 22 December 2020, Xior acquired the remaining shares in Uhub Benfica and Uhub São João, which owns three student complexes in Lisbon and one in Porto, respectively, as already planned upon entry in December 2019. The buildings were recently completed and generate rental income.

#### *9.1.2.2 Granting and extension of ABN AMRO loan*

On 21 December 2020, ABN AMRO increased the loan from EUR°35 million to EUR°60 million and extended the term of the existing loan by one year to 1 October 2023.

#### *9.1.2.3 Acquisition of Zernike Toren in Groningen*

On 16 December 2020, Xior acquired Zernike Toren in Groningen, which was acquired and developed in 2018 by the global investment company KKR. This recently completed (2020), eye-catching tower with a height of 74 metres is already operational, fully rented out, and adds 698 self-contained student rooms to Xior's portfolio. This directly makes the tower Xior's number one asset. This flagship residence is strategically located close to the centre of the city and only a two-minute cycle from the Zernike student campus in Groningen, one of the top four student cities in the Netherlands. The total investment value is approximately EUR°91.5 million and the expected initial yield is approximately 6%.

#### *9.1.2.4 Marivaux entry*

Xior has concluded an agreement for the redevelopment of a property complex to be converted in the centre of Brussels, the former Marivaux cinema complex. Xior has acquired a 50% stake in the real estate company that will acquire and redevelop the property. 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 conversion, for which a permit has already been obtained) will be approximately EUR°20 million and the project has an expected average initial yield of approximately 5.3%. The building will then be converted into a complex consisting of 22 flats for young professionals on two floors and an expected 113 student housing units on five floors, with a ground floor area for an entrance hall, a concierge apartment, a large communal area and an office for the administrator. Underground bicycle and car parking spaces will also be provided. The completion of this student property (and the associated acquisition of the other 50% of the shares in the real estate company) is planned for the academic year starting in September 2022.

*9.1.2.5 Acquisition of "365 Rooms" student residence in Brussels by means of a contribution in kind*

On 7 October 2020, Xior signed an agreement on the acquisition of the "365 Rooms" student residence in Ixelles/Elsene (Brussels), Belgium. This fully operational and sustainable residence was completed in 2014 in consultation with VUB/ULB and is in an exceptionally favourable location in Brussels, the largest student city in Belgium. In addition to 323 student rooms, the residence also includes 5 studios, 9 apartments and approximately 1,000m² of multi-purpose rooms. The contributor offers a rental guarantee for a period of 3 years for full occupancy. The total investment value of this acquisition is approximately EUR 34 million, with an expected initial yield of 5.5%, whereby Xior paid the purchase price in full by means of a contribution in kind. As a result of this contribution, which led to a capital increase of EUR 33,883,013 (including an issue premium), Xior Student Housing issued 657,539 new shares. The shares have been listed since 13 October 2020. The (rounded) issue price was EUR°51.53 per share. The transaction resulted in an equity increase of EUR°33,883,013, of which EUR°11,835,702 was assigned as capital and the balance of EUR°22,047,311 was assigned as Issue Premiums (after deduction of the costs of the capital increase according to the applicable IFRS rules).

9.1.3 Important events since the close of the financial year 2020

*9.1.3.1 New Compliance Officer and Corporate Secretary*

On 22 February 2021, the Board of Directors appointed Andes LA BV, represented by Mr. Andries De Smet as Corporate Secretary (previously exercised by Elitho BV, represented by Mr Michael Truyen) for an indefinite period.

Andes LA BV, represented by Mr. Andries De Smet has the necessary skills and knowledge on governance matters to perform this task.

*9.1.3.2 Acquisitions*

For this purpose, please refer to Chapter VI "Important events after the close of the financial year" (p. 20-22) of the Annual Communiqué – Publication of the annual results for the financial year 2020 (ending 31 December 2020) included in full in this Prospectus by reference.

*9.1.3.3 Update financing*

Reference is made to Chapter VI “Important events after the end of the financial year” (p. 20-22) of the Annual Communiqué – Announcement of 2020 annual results (ending on 31 December 2020), which is incorporated in this Prospectus by reference.

## 9.2. Trends and forecasts

9.2.1 Trends

*9.2.1.1 General*

For the main trends that have affected the Company since the beginning of the financial year 2020 and may reasonably have a significant impact on the Company's forecasts, reference is made to the Risk Factors included in Chapter 2 of this Prospectus, and to Chapter 9.2.1.2 of this Prospectus for the sake of completeness.

Between the date of the last financial statements and the date of this Transaction, there have been no significant changes in the Company's financial performance. See also "Events after the balance sheet date" of the F-Pages section.

#### *9.2.1.2 Trends in the property market*

The Company mainly holds properties intended for student housing in Belgium, the Netherlands, Spain and Portugal.

The following paragraphs describe the general state of affairs in the underlying Belgian, Dutch, Spanish and Portuguese student housing property markets taken from a study conducted at the Company's request by Cushman & Wakefield (Gustav Mahlerlaan 362-364, 1082 ME, Amsterdam, The Netherlands).

Cushman & Wakefield has agreed that information is included in this Prospectus (see also Chapter 10.3 of this Prospectus). Prospective investors wishing to have more information on the current situation and evolution of the Belgian, Dutch, Spanish and Portuguese property markets should seek advice from real estate consultants and other specialists.

This concerns the description of the market as at 31 December 2020.

Any reference to "we", "us", "our", "ourselves" or similar terms in this Chapter 9.2.1.2 refers to Cushman & Wakefield and not to the Company. Any forward-looking statements, forecasts and estimates in this Chapter 9.2.1.2 relate to statements, forecasts and estimates of Cushman & Wakefield, not the Company.

##### ***A. Student housing market Belgium***

**GENERAL**

The Belgian student population has been steadily increasing for several years. Although it is expected that, as in the Netherlands, the increase will mainly take place because of the recruitment of international students. In Flanders, the number of students (professional-oriented study programs and academic) was 240,000, for French-speaking Belgium (Brussels and Wallonia) this number will be approximately 190,000, bringing the total to approximately 475,000. The share of international students is approximately 60,000. Demographic evolutions are expected to cause a slight decrease in the national student population in the future. It is expected that the student population will grow to over 600.000 within 10 years, mainly driven by international students. Thanks to the increase in international students it is expected that demand for new high-quality student housing will increase in the future demand will be up and mainly for new high-quality student rooms. Old stock will need to be replaced putting more pressure on the market. Recent trends mean that, just like in other European cities, student housing in Belgium will be dominated by operators offering high quality and high service student housing.

The largest Belgian student cities are: Brussels, Antwerp, Leuven, Hasselt, Mechelen, Ghent, Liège, Mons, Namur and Louvain-la-neuve. There are currently approximately 140,000 rooms in Belgium and in general the supply and demand is in balance.

**MARKET RENTS**

In Belgium, there is a slight oversupply of student housing, although there are local differences. In Hasselt and Brussels, for example, demand is greater than supply. Due to the slight oversupply, rents are reasonably stable. The average rent for a student room is 400 euro per month, depending on the type of home (shared facilities versus studio). About 750 euro per month is paid for an apartment. The Flemish Housing Decree has entered into force on 1 January 2019. This means that the tenant of a room enjoys more protection by, among other things, the following rules: All costs and charges must be included in the rent, the deposit may be a maximum of 2 months, the rent may only be indexed at one successive tenant and subletting is permitted.

**MARKET DYNAMICS**

The market for investing in student housing in Belgium is limited and is still mainly in the hands of private investors. In 2020 we saw more transactions than the years before, however Xior is still one of the dominant parties. Investment yields are in line with other markets in Europe and roughly around 5% GIY (Gross Initial Yield)in the major cities. Other parties active in the field are: Upkot, Quares and Eckelmans. Large international investors still have not entered the Belgian market.

As in many European countries, the institutional market for student housing and PBSA (Purpose Built Student Accommodation) is largely underdeveloped. However, this market is increasingly professionalizing, with parties such as Xior and Quares growing rapidly. A trend that has emerged in recent years is that of luxury student complexes. These residences often consist of a large number of studios and / or apartments with a high quality finish. Units are often rented including appliances and optional furniture. In many cases there are communal facilities in the residence such as laundry rooms and a bicycle shed, as well as areas for study, sports and relaxation. The community aspect plays a major role in this. These types of concepts are particularly suitable for international students who want to rent for a shorter period without having to think about arranging furniture and internet, among other things.

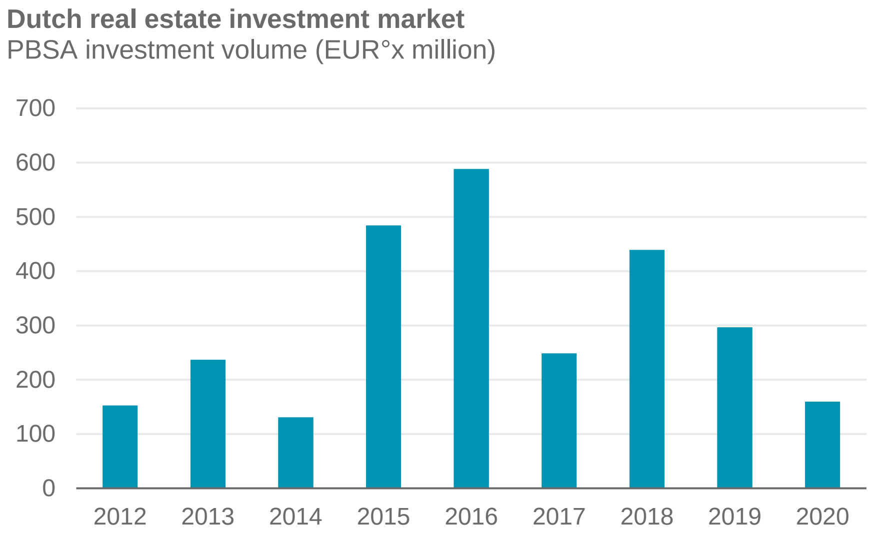
## FINAL CONCLUSIONS

The student housing market in Belgium continues to grow slightly. Demographic trends predict that the growth of the student population will mainly come from an international angle in the coming years. The large players are therefore responding in particular to this by offering full service concepts. The market in Belgium is growing, however large international players still have not found the Belgium market. It can be considered a matter of time before they also enter this healthy and growing market.

### *B. Studenten housing market in the Nederlands*

## INVESTMENT MARKET

The investment volume in student housing in the Netherlands vary over the years. The overall investment volume amounted to approximately EUR 600 million in 2016. A significant decrease occured in 2017 due to a lack of investment product. There was a slight peak in 2018, after which total investment volume declined due to a lack of product. The investment volume in 2019 totalled approximately EUR 300 million and in 2020 EUR 160 million.

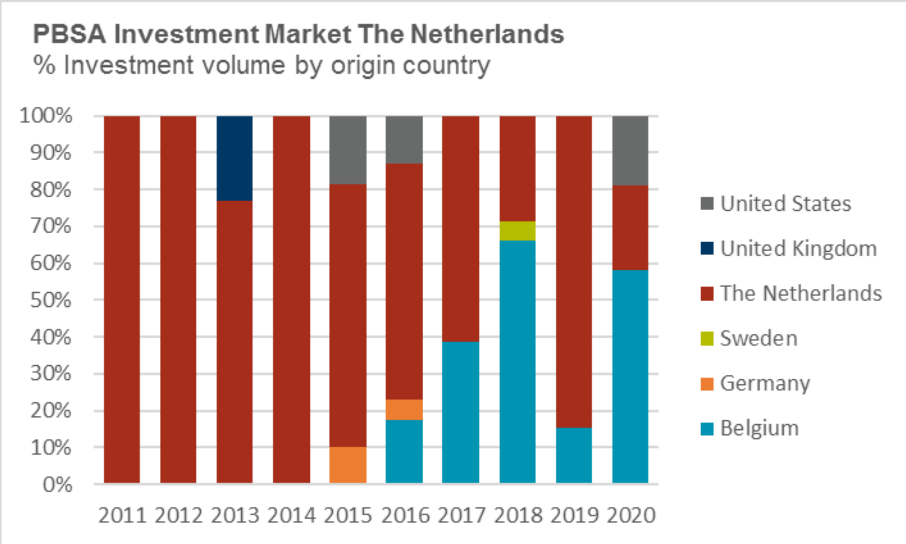



*Source: Cushman & Wakefield, 2020*

It must be noted that available data is not always transparent, but surely gives a sound impression of the main aspects of overall investment volumes per year.

2015 and 2016 were characterised by transactions of large volumes. In 2015, Campus Diemen Zuid was sold to Greystar, the Campus Yours Leiden was sold to Syntrus Achmea, and Rotterdam Student Apartments was sold to Woonstad Rotterdam, among others. In 2016, the Student Hotel purchased locations in Amsterdam West and Rotterdam, among others, and Greystar purchased the Bright complex in Rotterdam.

Traditionally, the market for student housing was dominated by social housing associations such as DUWO, SSH, De Key, and Stichting Bo-Ex. The social housing associations still have a large share in the overall offer. As of 2013, a shift occured, and more international investors joined the market. International investors outnumbered Dutch investors in 2018. International investors made an enormous mark on the Dutch market for student housing. International investors come from Belgium, Germany, the United States, and the United Kingdom. Some parties that are currently very active are Xior Student Housing, International Campus, Greystar, Camelot, and The Student Hotel. There are also institutional investors active in the PBSA market like Syntrus Achmea and Bouwinvest.




*Source: Cushman & Wakefield, 2020*

One of the most active players on the Dutch market at this time is Xior Student Housing N.V. In 2018, Xior purchased residences in Amsterdam, Utrecht, Maastricht, and Enschede, among others. The largest transaction took place in Amsterdam. Xior Student Housing purchased a development plot from the municipality of Amsterdam. The complex consists of 250 independent student units.

**Significant asset deals in 2020**

| City | Complex | Number of units | Buyer | Year / quarter | Price ( in mln. EUR) |
|---|---|---|---|---|---|
| Amsterdam | Brinktoren | 250 | XIOR Student Housing N.V. | 2020/Q3 | 61 |
| Eindhoven | Boschdijk Veste | 250 | XIOR Student Housing N.V. | 2020/Q1 | 32 |
| Den Haag | Confidential | 230 | Confidential | 2020/Q1 | 30 |
| Arnhem | Confidential | 150 | Confidential | 2020/Q2 | 22.5 |
| Maastricht | Confidential | 120 | Confidential | 2020/Q3 | 13,5 |

*Source: Cushman & Wakefield, 2020*

### Housing concepts

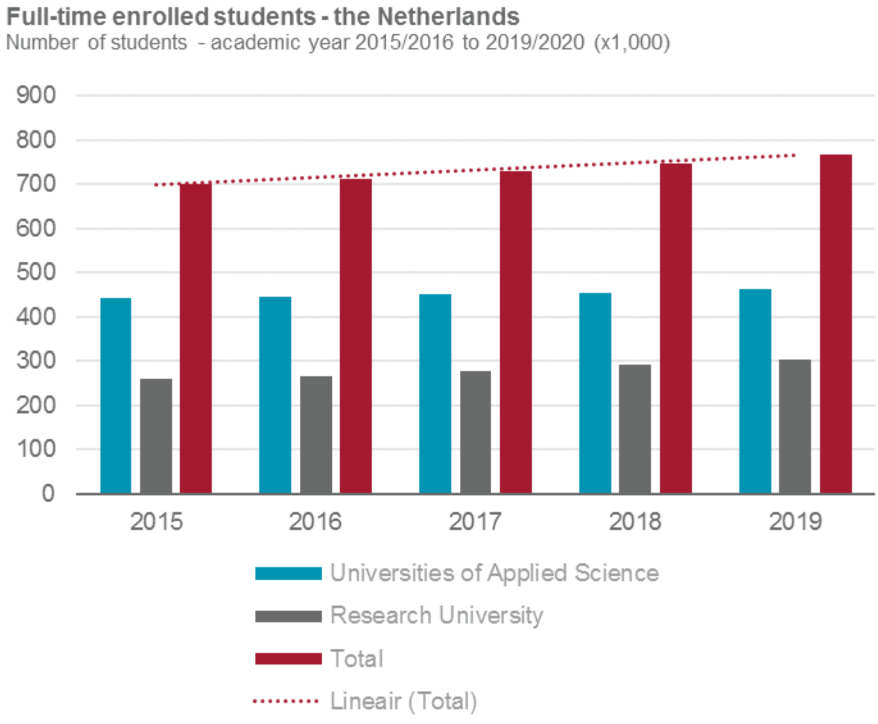
There are various concepts on the Dutch market for student housing. The concepts can be broken down by type: student homes, (large) student complexes/campuses, and student hotels. Student homes often have common areas, such as a living room, kitchen, and toilet spaces. These student homes are often owned by private investors and housing associations.

Student complexes/campuses often contain both non-independent and independent units. These complexes have a strong link with a college or university. A student must leave the complex after graduating to make room for new students. The complexes are usually run by housing associations, institutional investors, and commercial foreign investors. A relatively new form is the modular construction of student residences. Examples are Ravel Residence on the Zuid-As, and the complex on the Laan van Spartaan in Amsterdam. An advantage of this form of construction is a significantly shorter construction period. Another relatively new concept in the Netherlands is the student hotel. A student hotel offers furnished rooms and contains various facilities, such as a laundromat and bicycle rental. The concept mainly attracts international students who attend an educational programme in the Netherlands for a brief period of time. The students pay an all-in rental fee. Rental fees can amount to up to EUR 1,000 per month. Investors in these concepts are not bound to the housing valuation system when letting these properties, as they have a hotel zoning. In the Netherlands, 'The Student Hotel' is very active in this segment.

**Yield development**
Yields are declining in recent years. An increasing number of student complexes with independent units are being developed, or units are combined with units for young professionals. Because of these evolutions, returns are expected to approach the yields for regular housing complexes. For student complexes located near public transport, educational institutions, and facilities, the net initial yields are currently between 4.00-4.50%.

## USER MARKET

**Student population**
On 1 September 2019, 768,000 full-time students were registered at a university of applied sciences or a research university. Most students are registered in Amsterdam, followed by Rotterdam and Utrecht. The number of students increased by approximately 21% in the past eight years. This growth is expected to slow down, and the number of students is expected to increase by approximately 3% over the next eight years. The number of students studying at a university of applied science will decrease, and any growth will be fully attributable to research university students.
The number of students is expected to increase in all university cities over the next eight years, with Wageningen and Delft experiencing the strongest growth (26 and 21 percent respectively). In the 21 cities with an university of applied sciences, a decrease in the number of students is expected in 17 instances. The entire student population is expected to decrease after 2025 due to this demographic evolution.




*Source: DUO, 2020*

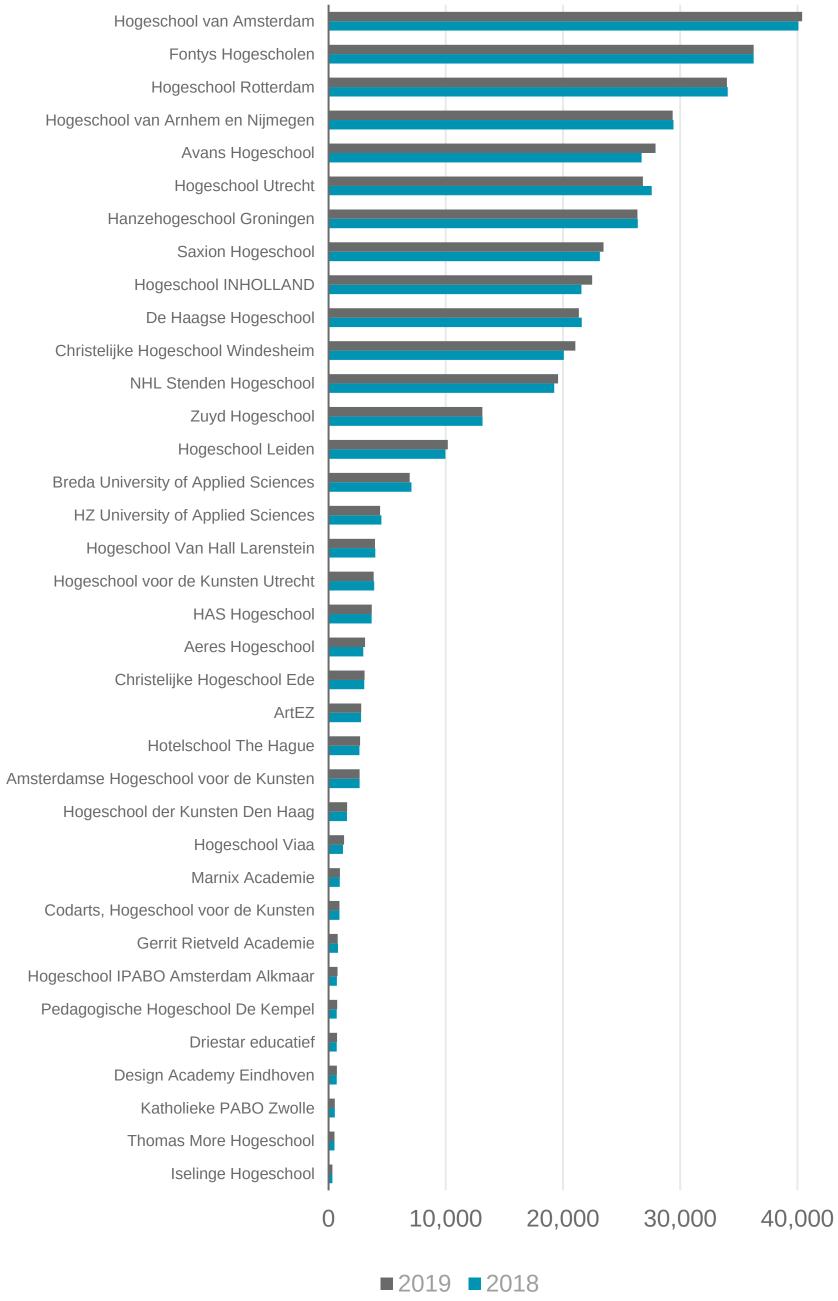
Over 85,000 students in the Netherlands do not have the Dutch nationality. Most of these students attend a research university. The Dutch educational system has focussed on internationalisation for years. Dutch universities are very popular abroad because of the many English-taught programmes, the high quality, and the low costs compared to other European countries. The number of international students attending research universities has tripled in the past 10 years, and this growth is expected to continue in the years to come. However, there are an increasing number of requests to limit the flow of international students, for example by introducing a numerus fixus.

**Students per educational institution**

The graph below shows the number of enrolled students per educational institution. Most students of Universities of Applied Sciences study at the Hogeschool van Amsterdam, followed by Fontys Hogescholen and the Hogeschool van Rotterdam. The largest increase in absolute numbers occurred at Avans Hogeschool, where approximately 1,200 more students were enrolled in 2019 than in 2018. The largest decreases can be found at Hogeschool Utrecht, where approximately 750 fewer students were enrolled in 2019 than in 2018.

**Total number of full-time enrolled students per university for applied sciences**

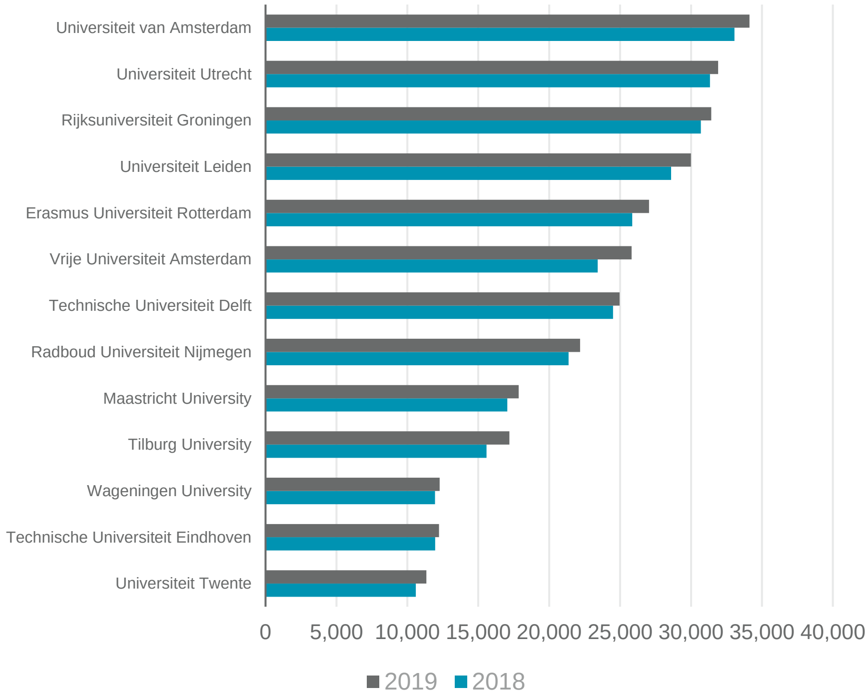
Academic year 2018/2019




*Source: DUO, 2020*

Most research university students are enrolled at the University of Amsterdam. In 2019, approximately 34,100 full-time students were enrolled here. In absolute numbers, the Univ ersity of Amsterdam is followed by Utrecht University and the University of Groningen. It is noteworthy that growth took place in all Research Universities in 2019 compared to 2018. The largest increase occurred at the Vrije Universiteit Amsterdam. Here the total number of students increased by almost 2,400 compared to 2018. The smallest increase took place at Eindhoven University of Technology, where the increase was approximately 270 students.

**Total number of full-time students per research university**
Academic year 2018/2019




*Source: DUO, 2020*

## Housing situation

Over half (52%) of the current student population in the Netherlands has left their parental home. Of these 350,000 students, 245,000 live in the city where they attend an educational institution. The majority (54%) of this group lives in a student residence with shared facilities. 19% lives in a studio, and 27% has an apartment. The introduction of the loan system affected the housing behaviour of students. The basic student financing was converted into a social loan system as of 1 September 2015. This had a negative impact on the disposable income of students. As a result, the amount of first, second, and third year Bachelor students decreased in 2016.

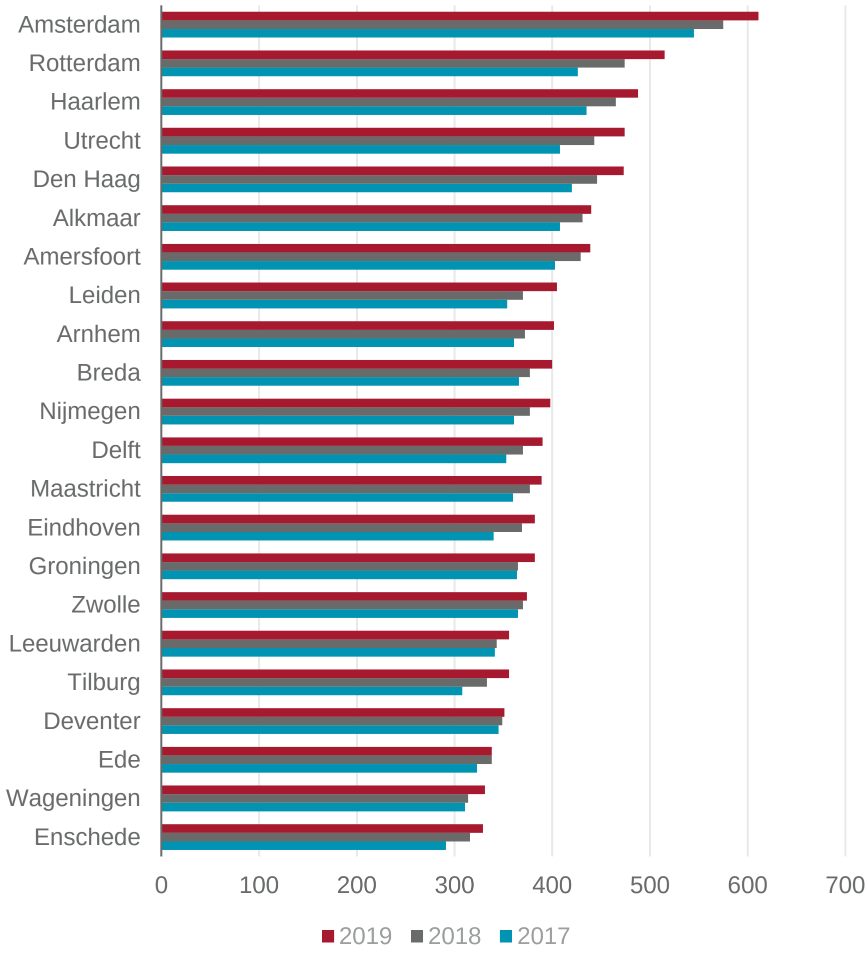
## Rents dependent units

The rents for dependent units have increased significantly in the past years. A survey by the online rental platform Kamernet showed that the rents were 4.9% higher on average in the first half of 2019 compared to 2018 with an average of 434 euro per month

Leiden experienced the highest increase in 2019 with approximately 9.6% compared to 2018, followed by Rotterdam (+8.7%) and Arnhem (+8.1%). Amsterdam is still ranked at the top with 611 euro per month. Rotterdam and Haarlem take up the second and third place among university cities with rents of 515 and 488 euros per month. The cheapest cities for student housing are Enschede, Wageningen, and Ede, with rents of 329, 331 and 338 euros per month.

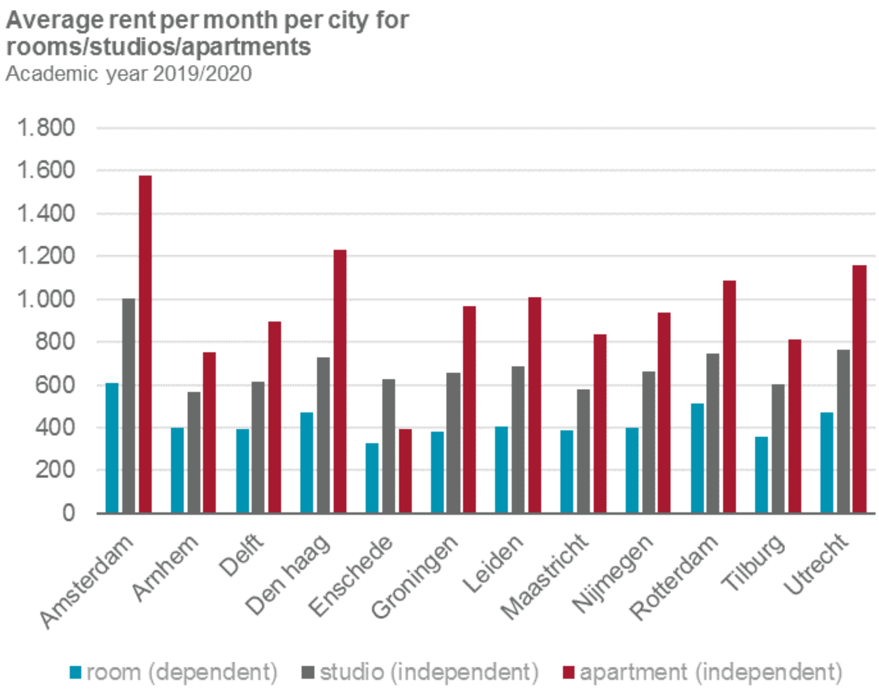
The monthly rent includes charges for utilities. It should also be noted that it is not always clear whether the rooms are furnished or unfurnished.

**Average monthly rent per city for self-contained units**
Academic years 2017/2018 to 2019/2020




*Source: Kamernet.nl, 2019*

In the figure below, a further distinction has been made between rooms, studios and apartments. Not surprisingly, rents for rooms, studios and apartments are also highest in Amsterdam. As far as studios are concerned, Amsterdam is followed by Utrecht and Rotterdam, where the average rent per month for studios are approximately 766 and 745 euros. For an apartment, Amsterdam is followed by The Hague and Utrecht, here the prices are respectively 1,232 and 1,161 per month.




*Source: Kamernet.nl, 2019*

**Housing preferences**
Students prefer an independent residence located in the city centre or on the university campus, but, naturally, this is not feasible for all students. Housing expenses are the main driver for selecting a residence. Students are also willing to pay more to rent a studio or apartment, rather than a room. There is a qualitative mismatch between the availability and housing preferences at many locations. There is a demand for independent residences, particularly in large student cities like Amsterdam, Delft, Nijmegen, Groningen, and Maastricht, while the availability in these cities mainly consists of rooms with shared facilities.

Besides the qualitative mismatch, there is also a quantitative mismatch; the demand for student housing exceeds the availability, particularly in the large cities. This subject was frequently discussed in the media at the start of educational year 2018/2019. The overall shortage of student housing in the Netherlands was estimated to amount to approximately 45,000. This can be broken down by a shortage of approximately 1,500 student rooms, approximately 20,000 studios, and approximately 25,000 apartments. The situation is most dire in Amsterdam, where there is a short-term demand for more than 10,000 additional student residences, of which over 7,000 independent units. Other student cities like Rotterdam, Utrecht, Groningen, and Delft also experience major shortages.

**Operator**
A trend in recent years is luxurious student complexes. These complexes often consist of a large number of studios and/or apartments with a high level of finish. The units are often let with tangible properties such as a TV, vacuum cleaner, kitchen equipment, and possibly furniture. The complex often has common facilities such as a laundry services and a bicycle storage, but also spaces to study, exercise, and relax. These complexes are often part of the portfolio of an institutional investor or real estate developer which outsources the exploitation to an external operator, such as the Student Experience, Holland2Stay, or StuWorld. The operator does not only take care of the letting, but also makes sure that any repairs are completed within a day, helps students request housing benefits, and makes sure that the room is provided to the next tenant in a clean state. By offering a complete service package, operators try to promote these complexes to both national and international students. This approach is successful; various high-end student complexes have been developed in Amsterdam alone in recent years, such as Ravel Residence, Amstelhome, Nautique Living, and Campus Diemen Zuid. Because of the high service level and the offered facilities, the rental fees for these student residences are usually much higher than those of regular student residences. The bare rent for a studio of approximately 25 square metres is usually between EUR 500 and EUR 600. The service fees are usually between EUR 100 and EUR 150, and an additional amount of approximately EUR 100 per month

is charged for a furnished apartment. Students often rely on housing benefits to be able to pay these rents. The lessor generally owes a certain percentage of the annual rent to the operator for the provision of the services.

**Campus contract**
Many large student housing associations use a campus contract for a majority of their student residences. A campus contract is a temporary rental agreement for a (graduate) student which applies during their education. The rental agreement stipulates that the tenant must leave the residence within a year of six months after graduating. The rental agreement will not end by law, the tenant must terminate the agreement and comply with the statutory notice period. The use of campus contracts is a measure to combat the demand for student residences. After all, it guarantees the availability of residences each year as after termination of the agreement there is no demand for housing from the tenant anymore.

### C. *Student housing market in Spain*

#### OVERVIEW

- The Spanish university system enjoys a rich history and tradition dating back to the 13th century. In the last 35 years higher education in Spain has experienced significant growth, modernization and internationalization. Increasing demand for higher education has resulted in 40% of Spanish adults attaining a higher education level than their parents.
- Spain undertook a major overhaul to their university system in 2007 by adopting the Bologna process, thus reducing the standard period from 5 to 4 years.
- Postgraduate numbers increased 17.4%. Spain continues to be an attractive post graduate market with over 166,000 students in 15/16. In addition, 3 Spanish business schools are in the world top 20 and within the European top 10.
- The significant increase in international students in recent years and the unrivalled popularity of Spain within the ERASMUS program are thanks to the following key drivers:
    i. **Affordability** – The cost of living and studying in Spain is lower than in the majority of competing locations.
    ii. **Lifestyle** – The mild weather combined with the rich culture (food, leisure, nightlife, etc.) make Spain an attractive destination to both visit and live.
    iii. **Quality of Education** – High quality education system with 10 universities in the QS World´s Top 500 world-leading MBA programs.
    iv. **Spanish Language** – The historical / cultural ties with Latin / South America (in addition to the language) give Spain a unique advantage vs. other European countries in attracting international students from these regions

- The percentage of Spanish population with a higher education level in Spain is above both the European Union average and that of certain major European economies. Of the population aged 25-34, 41% has undertaken some sort of tertiary education.
- Of the total population aged 25-64 in Spain, 35.6% have completed some sort of higher education, which is more than France, Germany and Italy. The adult population is increasingly choosing for higher education, up from 22.7% in 2000 to 35.7% in 2016. The population aged 18-24 is expected to grow over the next few years, reaching an increase of 11% in 2025 versus the 2018 figure, according to INE data.

| HIGHER EDUCATION STATS | |
|---|---|
| **No. of Students** | 1.58m |
| **International Students** | 113,000 (6%); 46% from E.U.<br>(Enrolments increased 11.25% from 2016 to 2017; 2x over 10 years) |
| **Living away from home** | 15.6% (9.9% of domestic students) although c. 31% of students are studying away from home and therefore have a clear accommodation requirement |
| **Universities** | 84 Universities<br>10 universities are among world’s top 500 |
| **QS Ranking** | 10th in the world; 4th in Europe |
| **Cost of Study** | Public University – up to €2,000 per annum<br>Private University - €5,000-€15,000 per annum |

| Top ERASMUS Receiving Countries | # of students | Top ERASMUS Sending Countries | # of students |
|---|---|---|---|
| 1. Spain | 44,596 | 1. France | 40,910 |
| 2. Germany | 33,346 | 2. Germany | 40,089 |
| 3. U.K. | 31,067 | 3. Spain | 39,445 |
| 4. France | 29,068 | 4. Italy | 34,343 |
| 5. Italy | 22,785 | 5. Poland | 16,518 |

## SPANISH UNIVERSITY ACCOMMODATION STRATEGIES

**Overview**

Spanish universities differ in terms of how they focus on providing residential accommodation to their students. In many developed countries, a university is not obligated to provide accommodation options to their students. However, many do so as it complements their educational offering and it will be managed by university estate departments and management teams in a variety of different ways. Traditionally many universities were large land owners so they would have been able to provide accommodation through their own properties. However as years have gone by, universities have had to think of other creative ways to manage their estate more effectively and profitably.

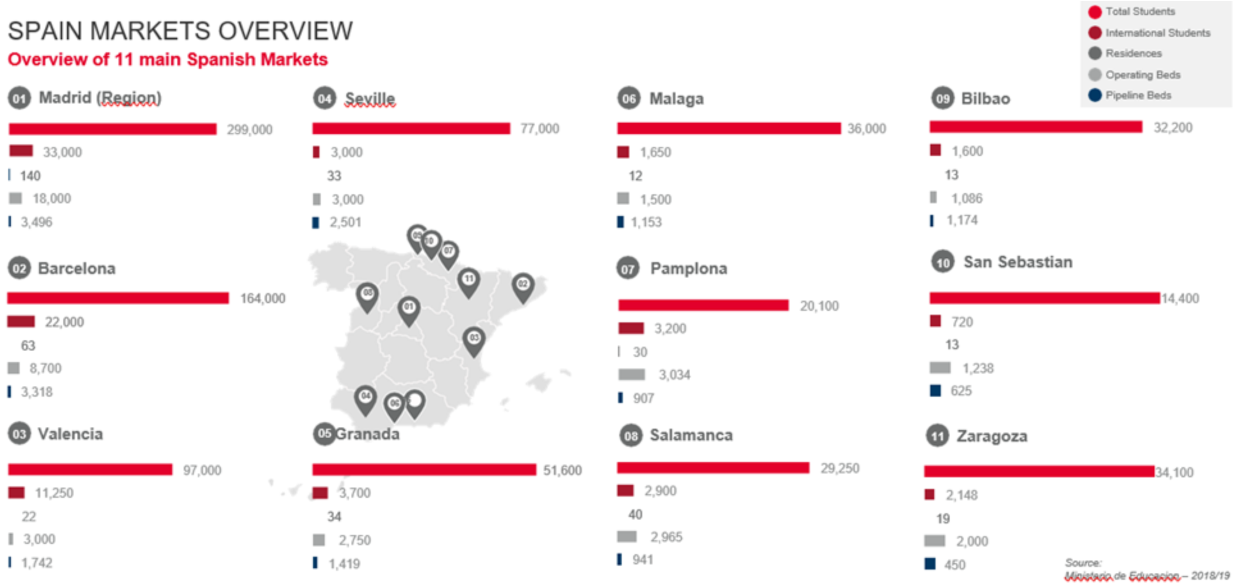
One of the major problems universities face is the financing of large capital expenditure projects. Inevitably, accommodation needs some sort of capital expenditure, small or large. The older the residences, the closer to economic obsolescence they become and the need for full refurbishment or redevelopment becomes pressing. As the cost of running universities has increased over the years, many bodies have found themselves in a situation where they are cash poor and asset rich. For a private university with a large estate, they could simply sell some land in the private market to generate more cash, but for public universities in Spain this is much more difficult as they define as a public body and are subject to laws which prevent public bodies disposing of land holdings.

Therefore in order to generate income, public bodies can offer a concession to the private market, which is essentially the right to develop and operate a building on the land in question for a defined period of time under the specific terms of the agreement. The award of this concession must go through a public tender process which follows the relevant legal framework.

Typically these concessions will be operated by private operators under a particular brand or some will remain un-branded. Some concessions may be offered with the use of ‘Collegio Mayores’ status, which demonstrates as affiliation with the university. University owned residences would typically operate as Collegio Mayores or university branded residences. For those Collegio Mayores operated by private operators under concession agreements, there will be a framework set out showing how the operator can typically take advantage of affiliation with the university in marketing and services offered to the students.

Our understanding is that commercial agreements between public universities and private operators are uncommon as these would typically have to go through a public tender process, which can be complex and uncommercial. Therefore agreements such as nominations or reservations agreements are not often an option between public universities and private operators. Private universities are not governed by the same public laws and therefore are free to close commercial agreements with private operators, which many do in order to secure accommodation for their students.

Where universities do not need to or want to collaborate with the private sector they will actively manage any residences they have as part of the wider university strategy. How these are operated, priced and the level of quality will vary considerably depending on the university and how they manage their business. This segment makes up the largest part of the PBSA offer in Spain, but this unfortunately is much more opaque than the private PBSA market and difficult to get detailed information on without having inside relationships. These relationships are typically held by financial advisors or in the case of PBSA, the private operators. We are therefore unable to offer further detailed analysis and insight into how particular universities plan and manage their portfolio at this time.




## SPANISH CITY PROVISON RATES

**Provision rates per Spanish city**
Across the surveyed 11 cities, there is currently a provision rate (% of total student population with access to a PBSA bed) of 6%, which equates to 18.1 students per available PBSA bed. For context the UK is at 3 students per available PBSA bed. Taking into account the pipeline (assuming no change in student numbers), the provision rate moves to 8% or 13.3 students per available PBSA bed.

However, a micro analysis is much more relevant when looking at these metrics, and from the cities surveyed, Pamplona has the highest provision rate of PBSA beds at 20% of all students having access to a PBSA bed or 6.6 students per PBSA bed.

The lowest provision rate is in Valencia, where only 5% of students have access to PBSA beds, where there are 32.3 students per bed.

| Stad | Studenten per PBSA-bed | Voorzieningspercentage (bedden) | Voorzieningstarief (inclusief percentage pipeline) |
|---|---|---|---|
| Pamplona | 6.6 | 16% | 20% |
| San Sebastian | 11.2 | 9% | 13% |
| Salamanca | 9.9 | 10% | 13% |
| Granada | 18.8 | 5% | 8% |
| Madrid | 16.6 | 6% | 7% |
| Barcelona | 18.9 | 5% | 7% |
| Bilbao | 29.7 | 3% | 7% |
| Sevilla | 25.7 | 4% | 7% |
| Zaragoza | 17.1 | 6% | 7% |
| Malaga | 24.0 | 4% | 7% |
| Valencia | 32.3 | 3% | 5% |
| **Spanje Totaal** | **18.1** | **6%** | **8%** |

These metrics are used as a guide to demonstrate demand and supply balances at a high level. It is always important to consider other factors when assessing demand and supply dynamics at a micro city level, such as the real demand pool (students living away from home plus international students), which can differ significantly from city to city, as well as the supply and depth of the private residential rental market

## SPANISH OPERATOR OVERVIEW

**Main private operators**

We outline the main private operators in the Spanish market together with the number beds / schemes under management, their location and our view of their market segment as of end 2019. We have not included any pipeline schemes (covered later in the report) or operators who do not yet have operational schemes in Spain (e.g. Aparto, Syllabus).

| Operator | Asset Owner / Capital Partner | Number of Beds | Number of Residences | Locations | Market Segment |
|---|---|---|---|---|---|
| **RESA** | Greystar & AXA & CBRE GIP JV | 8,906 | 35 | 19 Spanish cities | Mid |
| **Nexo Residencias** | GSA & Harrison Street JV | 2,151 | 6 | Madrid, Barcelona, Alcalá de Henares | Upper |
| **Mi Campus** | Stoneshield | 1,800 | 8 | Malaga, Valencia, Seville, Rioja, Burgos, Aranjuez | Mid |
| **Acciona** | Acciona | 1,000 | 5 | Unknown | Mid |
| **Xior / Lofttown** | Xior | 995 | 4 | Madrid, Barcelona | Upper |
| **Mi Casa Inn** | Private Owner | 800 | 8 | Madrid, Salamanca | Mid |
| **Youniq** | Corestate | 715 | 1 | Seville | Upper |
| **The Student Hotel** | APG & Aermont | 641 | 2 | Barcelona | Upper |
| **Collegiate AC** | W.P Carey | 565 | 3 | Madrid (Aravaca), Valencia | Upper |
| **Livensa Living** | W.P Carey | 372 | 1 | Barcelona | Upper |
| **Hubr** | SPS | 189 | 1 | Madrid | Upper |
| **Unihabit** | Private Owner | Unknown | 4 | Barcelona, Girona, Sant Cugat | Mid |
| **Tagaste** | Private Owner | Unknown | 4 | Madrid, Barcelona, Salamanca, Leon | Mid |

In Spain we estimate there to currently be approximately 96,225 operational PBSA beds of varying size and quality, with the majority owned and operated by public bodies. We have analysed the most prominent private operators in the market (13), comprising some 18,200 beds (19% of the total market).As demonstrated by the above table, the RESA platform is the dominant PBSA operator with a market share of approximately 50% of the private market (as analysed) and 9% of the total PBSA market in Spain.

In of market segment, the low end of the market is typically dominated by Colegio Mayores which are typically more conventional on-campus halls owned by the university and also residences run by religious organisations. For those in private ownership they will typically be run separately with no university agreements or they are held as concessions and will have an agreement in place with the university for collaboration on activities and events, as well as marketing. For some concessions there will also be a commercial agreement in place with a university for bed spaces, but this is not common amongst many private operators (non-concessions) due to restrictions under the public tender law limiting agreements between public bodies (universities) and the private sector. Some private operators however will have commercial agreements for bed spaces with private universities as this legal framework does not necessarily apply to them.

Service offering varies across the operators and is often location dependent. This will vary from fully catered to accommodation only residences, room types, pricing options and lease length, as well as varying amenities and clubs being offered. Some of the more traditional residences may even be female only and have curfews in place to manage behaviour.

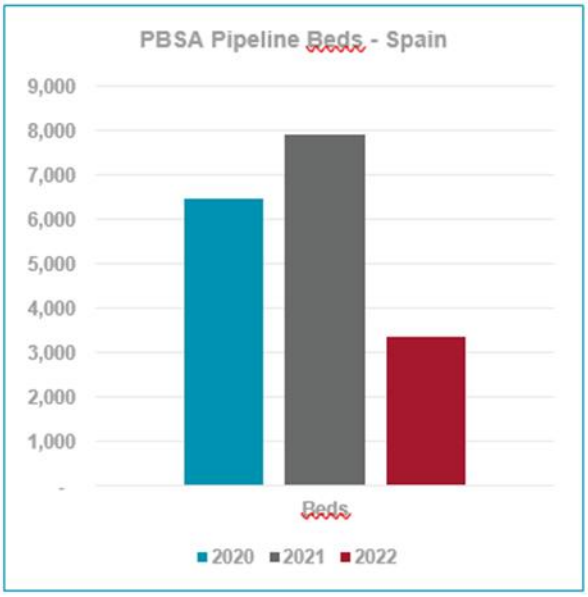
## PBSA-PIPELINE SPAIN

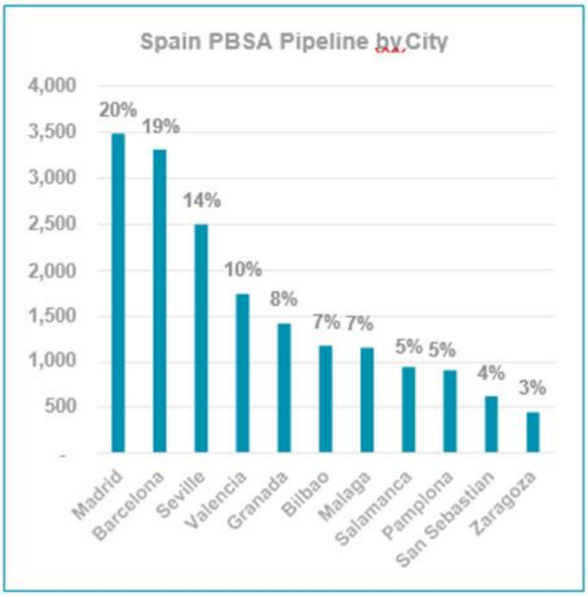
**Over view of Spanish PBSA Pipeline for 11 main cities**

In 2019 there were approximately 96,000 PBSA beds in Spain, with a further 17,726 in the pipeline to be delivered between 2020 and 2022, an increase of 18% over 3 years. Some 39% of these beds are located in Madrid and Barcelona, with 36% of the pipeline (6,454 beds) to be delivered in 2020.

Pipeline for 2022 remains at a lower level as sites to be purchased in 2020 could still feasibly be delivered in 2022.

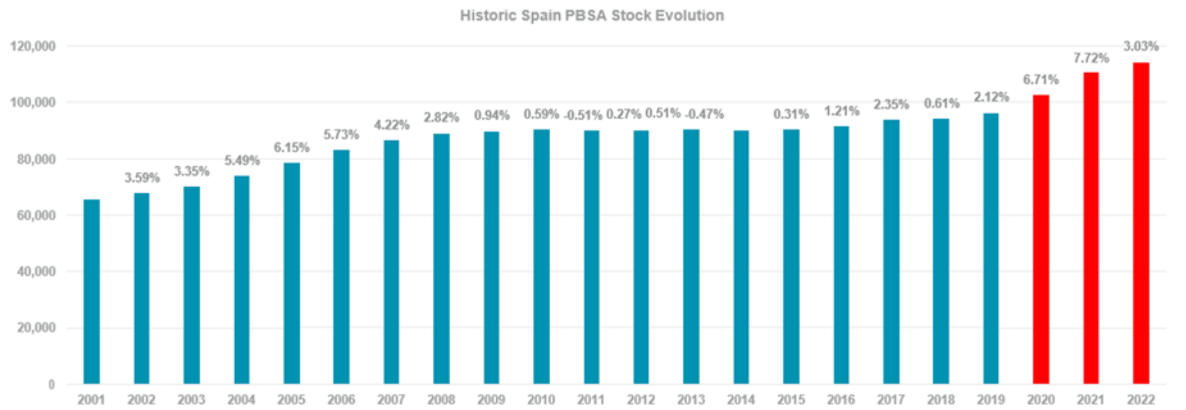
| City | 2020 | 2021 | 2022 | Total |
|---|---|---|---|---|
| Madrid | 1,446 | 1,143 | 907 | 3,496 |
| Barcelona | 539 | 1,400 | 1,379 | 3,318 |
| Seville | 150 | 2,019 | 332 | 2,501 |
| Valencia | 751 | 706 | 285 | 1,742 |
| Granada | 1,419 | 0 | 0 | 1,419 |
| Bilbao | 624 | 550 | 0 | 1,174 |
| Malaga | 784 | 369 | 0 | 1,153 |
| Salamanca | 301 | 640 | 0 | 941 |
| Pamplona | 140 | 323 | 444 | 907 |
| San Sebastian | 300 | 325 | 0 | 625 |
| Zaragoza | 0 | 450 | 0 | 450 |
| Total | 6,454 | 7,925 | 3,347 | 17,726 |




## SPANISH PBSA OPERATING BED EVOLUTION

The entry of new private players has boosted the bed growth rate for PBSA in Spain from 2.4% pre-2020 to 5.3% per annum post-2020




| | |
|---|---|
| CAGR 2001-2020 | 2.4% |
| Estimated CAGR post 2020 | 5.3% |

*Source: Cushman & Wakefield Research*

## PBSA SPAIN – CAPITAL ACTIVITY

**Investment activity**

From available information Cushman & Wakefield estimates the **PBSA market to be worth approximately €7.2bn** (taking a conservative average value of €75k per bed for all operating PBSA beds).

It is likely that the **private operator markets will make up over €2bn** on the assumption that the analyzed private operators typically have more premium residences, located on prime, high value locations (e.g. Madrid, Barcelona), which will enforce significantly higher values per bed.

Our estimates highlight that **current players have a further €2bn allocated to the sector, for the development of an estimated 30,000 beds** if all invested into development projects.

We **estimate another €3bn of dry powder** from players not in the sector but looking to enter.

The capital market has evolved over the past 5 years as early movers with opportunistic capital (such as Oaktree Capital and WP Carey) have proven the market. With some operating assets having now been traded and vertically integrated companies entering the market with a vision to build an operating portfolio of scale, the associated capital has moved down the risk curve and is now lower cost, longer term money.

The entry of these platforms and investors, together with the lack of available trading product and constrained supply of good quality development sites, has meant that as a result pricing has been competitive and has somewhat priced out the higher cost capital. Higher cost investors have been able to enter the market, by driving up the scale from their operation / development partners, or by assuming a pricing model in the upper quartile of the market, however this is a thinner part of the market and has only been proven to date in the higher value and more diverse markets such as Madrid and Barcelona.

It is fair to say last years were characterised by a lot of interest and noise from capital looking to enter the sector, but deals have been limited and new money faces high barriers to entry in terms of trying to find good and aligned operating and development partners.

Joint ventures such as Nuveen / Milestone remain keen to enter the market, and lower cost, longer term German backed capital such as DWS or Patrizia will be competitive in buying completed stock.

## MADRID, SPAIN

### City Overview

The city of Madrid is the capital and the largest city in Spain with a population of 3,255,000 inhabitants. Madrid is also the capital of the region with the same name with a total population of 6,685,471 (2019) according to the National Statistics Institute (INE) comprising primarily the Madrid metropolitan area, which is the third largest in the European Union after London and Paris. Madrid made up 19% of the Spanish student population in 2019 and was ranked 12th most desirable urban destination in Europe according to Conde Nast.

Madrid is one of Europe's largest financial centres and therefore the local economy is dominated by the services industry with central and regional government, headquarters of Spanish companies, regional HQ of multinationals and financial institutions all situated in Madrid. According to the Madrid City Council, services to business, transport & communications, property & financial together account for 52% of the city's GDP.

### Key Demand Drivers

The region of Madrid is home to 14 universities of which 6 are public and 8 are private. The student population is 299,000, 79% of which were undergraduate students and 21% were postgraduate students (237,000 undergraduate students, 45,000 masters students, 17,000 doctorate students). We outline the Top 10 higher education institutions together with the corresponding student numbers in the adjacent table.

Approximately 11.5% of students are international, primarily from the EU (38% of total international students), Latin America and the Caribbean (30%), and Asia and Oceania (20%). We note that these figures do not include Erasmus students and other temporary exchange students. Furthermore, Madrid benefits from an influx of both domestic and international students for summer language / culture courses and other temporary summer programs.

**Existing Supply**
Based on C&W's in-house database, there are a total of 140 PBSA projects in the Region of Madrid, providing approximately 18,000 beds. These figures do not include private landlord accommodation. There are also several shared apartment platforms operating in this segment in Madrid, Uniplaces being the largest.

| Key City Statistics | |
|---|---|
| Total Students | 299,000 |
| International Students | 33,000 (11%) |
| Residences | 140 |
| Student Bed Number | 18,000 |
| Provision Rate | 6% |
| Pipeline | 3,496 |
| Provision Rate (Post Pipeline) | 7% |
| | |
| **Madrid Universities** | **Students** |
| Complutense de Madrid | 73,016 |
| Rey Juan Carlos | 51,882 |
| Politécnica de Madrid | 35,437 |
| Autónoma de Madrid | 27,640 |
| Carlos III de Madrid | 20,533 |
| Alcalá | 19,373 |
| Europea de Madrid | 11,656 |
| Pontificia Comillas | 10,272 |
| Francisco de Vitoria | 9,795 |
| Antonio de Nebrija | 9.068 |

## COVID-19 COMMENTS

**Considerations for PBSA-market**
The COVID-19 pandemic is an unprecedented crisis which has affected most nations around the world since early 2020. As a result governments have placed restrictions on mobility locally, nationally and internationally, which has affected how people go about their daily life. Unfortunately the PBSA sector has not been immune to the restriction put in place by national governments and health organisations.

The immediate issue the industry is facing is essentially a loss of residents, as many have returned to their family homes or origin countries. This has resulted in requests for rent refunds (in retrospect), rent cancellations (for the remainder of the lease term), or rent deferrals, which is unprecedented territory for operators on such a scale.

Further with current restrictions in place and a planned phased exit from lockdown measures, international travel is likely to be limited, therefore there is unlikely to be a market for summer occupants as they may not be able to travel or there reasons for travel have been cancelled e.g. summer educational courses that are unlikely to take place.

Open questions currently revolve around two themes; 1) university strategies, and 2) customer attitudes, all which are dependent on the level of restrictions put in place and for what time period.

With regards to universities, the main questions relate to when they will open again to paying students and in what manner will they do so i.e. will they continue to teach and conduct enrolments for the new academic year online, or is it possible that the 2020/21 academic year start is pushed back to a later date? Furthermore, how are domestic senior year exams being facilitated, assessed and available places allocated? Currently this is the significant unknown that could affect domestic students progressing on to higher education, or at least the higher education option of their choice. This will also apply to entry exams for international students where applicable, or those students that would have travelled to a location beforehand to do some research on where to study. Operators are largely at the mercy of the universities and schools in this regard and will have to be reactive to the framework put in place.

In terms of customer attitudes, in the medium term international student numbers will in part depend on students (and their families) attitudes to international travel, as well as the ability to actually cross borders and any governmental restrictions which are put in place for international travel. Further operators are going to have to devise strategies around personal safety and social distancing in the short to medium term to ensure any guidelines put in place by health authorities, whether this is by the provision of hand sanitiser, increased cleaning or limiting the use of communal areas. Again, it is too early to say what these measures are likely to be as we still do not know the framework to exit from widespread lockdown and restrictions, which is anticipated in the coming weeks.

Long term however the industry remains positive and this crisis does not undermine the importance of higher education provision and it is anticipated that student numbers will hold on in the medium / long term. There will be inevitable questions around whether higher education can be delivered in total in a virtual capacity, which is not a new question and has been thinking around this has been accelerated by the crisis. It is likely we will see some change in the way courses are taught and we have already seen some business schools adapt to offer modular learning in a bitesized fashion online, and some universities may consider offering more courses in this format to keep participation levels high and income generating.

Nonetheless for longer courses, especially undergraduate degrees, virtual learning methods have not yet managed to replace the social experiences gained by going to university, such as independent living, making new friends, and discovering new experiences and areas of interest, which are driven largely through human interaction. Courses such as engineering and sciences also rely on a physical environment so are also more difficult to disrupt in this way. Therefore we expect demand to remain as the fundamentals of studying have not changed and see a potential evolution in the university space, implementing lessons learned from this crisis into their higher educational offer.

### *D. Student housing market in Portugal*

#### MARKET OVERVIEW

The PBSA markets in Portugal and Spain are highly fragmented with the top five private platforms making up less than 34% of the total supply of student beds. The remaining supply is operated by public entities (mainly universities) and religious orders, most of which are single-asset operators. By way of comparison, in the UK market the top 5 platforms make up ca. 54% of total supply. Much of the public owned market varies in quality, from newer buildings to out-dated residences, unfit for purpose. This is typical for public organisations who are often asset rich but cash poor, and not inclined or unable to invest in modern day improvements and upgrades. As customers place increasingly more value on aspects such as connectivity and community, existing supply is increasingly obsolete where public bodies dominate the market.

In Portugal, we estimate there to currently be more than 21,300 operational PBSA beds of varying size and quality, with approximately 81% owned and operated by universities and religious bodies. We have analysed the most prominent private operators in the market, comprising some 5,600 beds (26% of the total market).

The PBSA market in Portugal is still somewhat in the development stage, with sites acquired by developers benefitting from early mover advantage only becoming operational in the past 24 to 36 months. This includes the residences operated by Milestone, Livensa Living, Smart Studios and U.Hub, which have a pipeline of buildings scheduled to open for the next 3 years. The dominant operators in the Portuguese market are Livensa Living with a large 723 bed scheme in Porto, and Smart Studios who have 10 smaller sized schemes situated throughout Lisbon, Coimbra and Porto. Xior entered the Portuguese market through acquiring the local platform U.Hub in 2019. The platform has 4 operational residences situated in Lisbon and 1 in Porto, providing mid-market serviceable and functional accommodation.

In terms of market segment, the low end of the market is typically the more conventional on-campus halls owned by the university and also residences run by religious organisations. These types residences are usually well-located being within closed proximity of the university's however often have outdated facilities and are priced at the lower end of the spectrum. W.P Carey through the Collegiate AC brand in Lisbon and Brookfield through Livensa Living brand in Porto are setting the standard for the upper end of the Portuguese PBSA market. Their schemes in Lisbon focuses on providing services and a level of amenity similar to 4-star hotel which includes 24-hour reception desk, swimming pool, gyms and common areas. Service offering varies across the other operators from room types, pricing options and lease length, as well as varying amenities and clubs being offered. The level and depth of services is often location dependant and driven by the target student demographic.

The student accommodation market in both Lisbon and Porto was very much dominated by university and religious groups accommodation and the private residential market picked up the large supply and demand imbalance. In saying this, the market however is becoming more commercialised and privatised with several completed schemes in 2020 as U.Hub Asprela in Porto, Livensa Living Boavista in Porto, Smart Studios Carcavelos in Cascais, Milesotne Carcavelos in Cascais, Smart Studios Santa Apolónia in Lisbon and Livensa Living Entrecampos in Lisbon. Currently, private operated schemes make up 51% of Lisbon supply and 57% of Porto supply.


*Bron:* http://www.dgeec.mec.pt

International students' nationalities are diverse, but their country of origin is mainly from the former Portuguese colonies, as well as Spain and Italy.


*Bron:* http://www.dgeec.mec.pt

Portugal offers a mild Mediterranean climate, excellent quality of life, security, beautiful coastline and cities bursting with historical interest and cultural experiences, where international students have the opportunity to take courses internationally recognized in English.

Apart from the many historic sites and areas of natural beauty, the country is also known for its contemporary culture and nightlife. Today Portugal is also seen as an attractive alternative to the traditional study options.

## DEMAND

In 2020, 7 Portuguese universities were ranked in the top 1000 of the Best Universities according to the QS World University Rankings by Subject.

In fact, the international recognition of the Portuguese universities has played a catalyst role in attracting an increasing number of foreign students.

In addition to the universities, Portugal is also home to several well-reputed polytechnics. The main difference between the two is that the universities have a greater focus on academic research, while the polytechnics are more focused on preparing students for a specific career path. Some subjects are only offered in universities or in polytechnics, but there are also several subjects in common.

## LISBON

**43** Universities in Lisbon

**89** Colleges in Lisbon

**+1,200** Public university courses

**+460** Private universisty courses

**135,000** Students

**40,500** Live away from home

| TOP 10 COLLEGES | AREA | STUDENTS |
|---|---|---|
| Universidade de Lisboa - Instituto Superior Técnico | Engineering | 9,300 |
| ISCTE - Instituto Universitário de Lisboa | Business | 8,200 |
| Universidade Nova de Lisboa - Faculdade de Ciências e Tecnologia | Science | 6,600 |
| Universidade Lusófona de Humanidades e Tecnologias | Humanities & Technology | 6,500 |
| Universidade Aberta | Several | 4,700 |
| Universidade de Lisboa - Faculdade de Ciências | Science | 4,650 |
| Universidade Europeia | Several | 4,550 |
| Universidade de Lisboa - Faculdade de Direito | Law | 4,200 |
| Universidade de Lisboa - Faculdade de Letras | Letters | 4,100 |
| Universidade Nova de Lisboa - Faculdade de Ciências Sociais e Humanas | Social science | 4,000 |

*Source: DGEEC, Cushman en Wakefield analyse*

## PORTO

**31** Universities in Porto

**62** Colleges in Porto

**+650** Public university courses

**+380** Private universisty courses

**74,000** Students

**26,000** Live away from home

| TOP 10 COLLEGES | AREA | STUDENTS |
|---|---|---|
| Instituto Politécnico do Porto - Instituto Superior de Engenharia do Porto | Engineering | 6,500 |
| Universidade do Porto - Faculdade de Engenharia | Engineering | 6,400 |
| Instituto Politécnico do Porto - Instituto Superior de Contabilidade e Administração do Porto | Business | 4,200 |
| Universidade do Porto - Faculdade de Letras | Letters | 3,600 |
| Universidade do Porto - Faculdade de Ciências | Science | 3,400 |
| Instituto Universitário da Maia - ISMAI | Several | 3,300 |
| Universidade do Porto - Faculdade de Economia | Economics | 2,900 |
| Universidade Fernando Pessoa | Several | 2,700 |
| Instituto Politécnico do Porto - Escola Superior de Saúde do Porto | Medical | 2,400 |
| Universidade Portucalense Infante D. Henrique | Several | 2,300 |

*Source: DGEEC, Cushman en Wakefield analyse*

As we have mentioned previously, the traditional student market for student accommodation was dominated by public bodies and religious orders, but currently, with the new offer from international operators, student accommodation is an attractive alternative.

### LISBON & CASCAIS SUPPLY

- Majority of supply consists of private rooms;
- Increasing PBSA share of student housing;
  - ✓ 69 PBSA in Lisbon
  - ✓ 5,600 beds
- Traditionally, Universities or catholic institutions managed the largest share but is now reducing - 49% beds;
- Private operators – 30 units identified (51% beds);
- Attractiveness of the market;
  - ✓ 10 projects in the pipeline until 2022
  - ✓ 3,500 beds

Private operators interested in the market: Callegiate, Valeo, The Nido Collection,…

| Minimum rent | Average rent | Maximum rent |
|---|---|---|
| €250 | €660 | €1,600 |

| MAIN PRIVATE SCHEMES IN LISBON | | | |
|---|---|---|---|
| Scheme | Management | Nr of Beds | Price Range (€/room/month) |
| Livensa Living Entrecampos | CRM Students | 723 | €488 - 717 |
| U.Hub Benfica | University Hub | 342 | €440 - 815 |
| Collegiate Marquês de Pombal | Collegiate | 330 | €615 - 1600 |
| Smart Studios Carcavelos | Smart Studios | 301 | €499 - 819 |
| Milestone Carcavelos Lombos | Milestone | 192 | €535 - 555 |
| Cascais Nova Milestone | Milestone | 122 | €545 - 695 |
| Smart Studios Santa Apolónia | Smart Studios | 114 | €589 - 1198 |
| ZoneSpru Sapateiros | SPRU | 75 | €446 - 690 |
| U.hub Alvalade | University Hub | 66 | €485 - 680 |
| Montes Claros | Montes Claros | 61 | € 670 |

*Source: Cushman & Wakefield*

### PORTO SUPPLY

- As in Lisbon, majority of supply is private residential;
- Circa 36 PBSA in total of 3,750 beds;
- Residences managed by universities - 38% supply;
- Recent opening of U.Hub (456 beds) and Livensa (330 beds);
- PBSA in pipeline for the next three years:
  - 10 projects
  - Circa 4,400 beds

- Private operators interest in the market: Collegiate, Valeo, The Nido Collection

| Minimum rent | Average rent | Maximum rent |
| --- | --- | --- |
| €200 | €550 | €750 |

| MAIN PRIVATE SCHEMES IN PORTO | | | |
| --- | --- | --- | --- |
| Scheme | Management | Nr of Beds | Price Range (€/room/month) |
| Livensa Living U. Porto Campus | Living Livensa | 723 | €440 - 695 |
| U.Hub Asprela | University Hub | 456 | €350 - 685 |
| Livensa Living Boavista | CRM Students | 330 | €508 - 731 |
| Milestone Porto | Milestone | 227 | €516 - 656 |
| WorldSpru | SPRU | 195 | €361 - 748 |
| Porto Alto | Porto Alto | 56 | €420 - 650 |
| LowCoast Studio residence | Private | 51 | €475 - 475 |
| The Gallery House | Misericórdia do Porto | 40 | €200 - 300 |
| Joy 907 Erasmus Residence | Private | 20 | €395 - 440 |

*Source: Cushman & Wakefield*

There are currently 21,300 beds in approximately 230 student residences across Portugal. As previously mentioned, the majority of these residences are operated by public entities (mainly universities), most of which are single-asset operators.

In terms of PBSA operators, we set out a breakdown below of the largest private operators.

In the secured pipeline, we have identified the following:

| MAIN PRIVATE OPERATORS IN PORTUGAL | | |
| --- | --- | --- |
| Operator | Opened | Pipeline |
| CRM Students | 1,776 | 349 |
| University Hub | 936 | 998 |
| Smart Studios | 627 | 864 |
| Nido Collection | 0 | 1,419 |
| Milestone | 541 | 350 |

*Source: Cushman & Wakefield*

As demonstrated in the table above, the market is highly fragmented with the top 5 operators making up 20% of the total offer.

| PRIVATE OPERATORS CURRENT SUPPLY | | |
| --- | --- | --- |
| Operator | Opened | % of total beds |
| CRM Students | 1,176 | 8.3% |
| University Hub | 936 | 4.4% |
| Smart Studios | 627 | 2.9% |
| Milestone | 541 | 2.5% |
| Collegiate | 330 | 1.5% |

*Source: Cushman & Wakefield*

As mentioned before, currently there is an insufficient supply of good quality student housing when comparing to impressive growth forecasts of the number of international students in Portugal.

The level of supply for good quality student housing accommodations is still low in Portugal, although increasing mainly in Lisbon and Porto. The level of demand for student residences is high, largely surpassing the offer level, levelling up average prices up to 5% in the last year.

Nowadays the challenges for those who plan to invest in this sector is the scarcity of suitable land or properties and the strong competition with more valuable end uses as residential. Additionally, there are other types of rental, such as local market, non-professionalized leasing, short-term rental and student residence sites such as Uniplaces, which have registered strong growth in the past few years.

## INVESTMENT MARKET

Major European players in student housing backed by institutional capital in some cases have only just begun to enter the Portuguese market. These include Xior and Brookfield amongst others.

Investor rationale is based on increased student demand for quality accommodation. Existing stock, in generally quasi-public ownership, has suffered under-investment and is failing to keep pace with the demands of the 21st century in terms of design, technology, sustainability, etc.

Nevertheless, the lack of quality product has led investors to focus primarily on new developments and refurbishments, leading to a lack of direct investment evidence in operational PBSA. We set out key investment deals in the table below (excluding development deals):

| Year | Type of deal | Building | Location | Size (sq.m) | Vendor | Purchaser | Price (€M) | Price (€) / sq.m |
|---|---|---|---|---|---|---|---|---|
| 2016 | Redevelopment | Conde Redondo 79 | Lisbon | 10,900 | CTT | Temperano | €17.0 M | €1,560 |
| 2017 | Redevelopment | Almeida Garrett College Building | Porto | n.a. | Universidade do Porto | Real Douro | €6.1 M | n.a. |
| 2018 | Redevelopment | Campo Pequeno 34 | Lisbon | 39,000 | Novo Banco | Roundhill Capital / TPG | €35-45 M | €960 |
| 2019 | Investment | Promiris Portfolio (forward purchase) | Lisbon & Porto | 11,500 | Promiris | Xior | €28.2 M | €2,450 |
| 2019 | Redevelopment | Alta de Lisboa Land | Lisbon | 14,000 | Developer | Corporate | €8-10 M | €650 |
| 2019 | Investment | U.Hub Portfolio (forward purchase) | Lisbon & Porto | n.a. | U.Hub | Xior | €130.0 M | n.a. |

Source: *Cushman en Wakefield*

The year 2019 marked a record year for direct investment into student accommodation in Portugal with total investment volume in the order of €170m. This figure comprises primarily the Xior acquisition of Promiris and U.HUB portfolios.

This is a flourishing sector in Portugal, the first openings happened in the last 2/3 years, with a special emphasis for the Collegiate Prestige Marquês de Pombal, which opened in January 2018 and it is considered a luxury student housing, focused on international students.

Activity during 2018 and 2019 has been much more focused around development with investors seeking to secure strategically located sites mainly in Lisbon and Porto. This development phase will continue in 2020 and 2021 as investors and operators look to expand and consolidate their trading platforms.

Although we do not mention any yield levels in the above table we can comment that investors currently focusing on prime freehold student housing investment product in Lisbon and Porto would be prepared to accept a net initial yield of around 6.00% or even lower.

According to our experience, this sector has gone from a niche market, especially in Europe, to a mainstream investment during the last years, so we believe that this sector will be a strong and attractive one in the future.

In terms of investment demand, we believe that micro-locations or prime locations, are becoming an increasingly important part of investor's criteria which will impact on the investment yields.

## COVID-19 IMPACT ON STUDENT ACCOMMODATIONS

The State of Emergency was implemented in March following the COVID-19 outbreak, with global lockdown affecting companies' operation and closure of borders disrupting immigrants' return to home. At an educational level, schools were mandatorily closed before the beginning of the national lockdown, with many shifting to online learning, with video-meeting platforms easing the teacher-student communication. Lessons started to be provided online and supported by a nationwide television channel for elementary school until the 9th grade. For the 2020/21 academic year, students have returned to on-campus learning. Nevertheless, not all university students returned to on-campus learning as some courses stayed at least partially online.

The attractiveness of the PBSA sector remains high for both investors and operators, as the imbalance between demand and supply is still evident, though most players are currently adopting a wait-and-see approach, as the Government has not yet decided how the next academic year learning system will be, which should nevertheless be announced in the next couple of months. A substantial reduction of on-campus may temporarily change the occupancy rates, end-users' profile, and rental levels of student accommodations, thus challenging new players' entrance in the market.

Net operating income is being affected in the current academic year as some operators had a high number of double rooms which turned into single rooms for safety reasons, and given the uncertainty of further learning models and borders openness, but there are no convictions regarding structural changes in the sectors' performance in the medium-long term, as interest in the Portuguese market from all market players remains high.

Foreseeing some demand decrease, some student accommodation operators are announcing rent discounts for the next academic year, when compared with last academic year. For the 2020/2021 academic year Smart Studios considered discounts between 6% to 12% for the new units and Livensa Living between 10% to 15%, on 1-year rentals in all units.

The 2020/2021 academic year shows some difficulties to maintain the pre-COVID occupation levels due the reduction of foreign students. This decrease in demand from international students is being somewhat compensated by an increase of demand by national students, due the fact that the number of Portuguese students for the academic year 2020/2021 has increased.

**Sources BE: Cushman & Wakefield, 2020**
**Sources NL: Cushman & Wakefield, 2020, DUO 2020, Kamernet, 2019**
**Sources ES: Cushman & Wakefield, 2020, & INE, Ministerio de Educación 2018/2019**
**Sources PT: Cushman & Wakefield, 2020, http://www.dgeec.mec.pt DGEEC**

### 9.2.2 Company forecasts for the current financial year 2021

The Board of Directors prepared the following outlook and profit forecast in order to establish the expectations for the financial year 2021, taking into account the Offer and the operational trends identified so far (see Chapter 9.2.1 of this Prospectus), using a basis that is comparable to the historical financial information. The budget for 2021 was drawn up taking into account the current occupancy rate and an estimate of the future occupancy rate based on the past (including 2020). An additional provision for non-recoverable debt was also taken into account.

The accounting basis used for the forecasts is consistent with the accounting methods used by Xior in preparation of its consolidated accounts as at 31 December 2020 in accordance with the IFRS as implemented by the European Union and the Royal Decree on Regulated Real Estate Companies.

This forecast was based on the information available on 31 December 2020 and takes into account post balance sheet events if these exist.

The actual development of the forecast of the consolidated EPRA earnings[31] depends on the evolution of the economy, financial markets and property markets. Given the current circumstances regarding COVID-19, these forecasts are more uncertain than usual.

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

- the evolution of the property markets in Belgium, the Netherlands, Spain and Portugal, particularly the student housing markets;

- 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, even better access to higher education for all, the quality of education, the number of foreign students, the enrolment fee and students' decisions to live at home or in student accommodation; an evolution which may have an impact on the rental income or the valuation of the portfolio as determined by the Valuation Expert;

- the regional legislation imposing a number of health, safety and living standards requirements;

- the evolution of the interest rates and bank margins.

*9.2.2.1 Hypotheses*

*<u>Accounting methods used</u>*

The accounting basis used for this forecast is consistent with the accounting methods used by Xior in preparation of its consolidated accounts on 31 December 2020 in accordance with the IFRS as implemented by the European Union and the Royal Decree on Regulated Real Estate Companies.

*<u>Hypotheses with regard to elements that cannot be impacted by Xior directly</u>*

- The calculation of the evolution of rental income did not take into account inflation. We took this cautious approach because we cannot always increase our rental income to reflect inflation. The rental income estimates took into account the current occupancy rate and assessed the future occupancy rate based on the past and taking into account the limited impact COVID-19 had on the Company in 2020 and the current COVID-19 predictions for 2021, which expect the situation to improve again in September 2021 (with the return of physical lectures after the implementation of the vaccination programme).

- 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 legislation. 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 SA/NV and FSMA expenses) are estimated based on the going market rates, which the RREC does not control.

- 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. The established net rental result for 2021 took into account 1.1% non-recoverable receivables, which were historically estimated at 0.3%. The rental income estimates took into account the current 2020

[31] Alternatieve Performance Measures. In accordance with the guidelines issued by the European Securities and Market Authority (ESMA) on 3 July 2016, the definitions of the APMs and the use and reconciliation tables in Chapter 1.8 of the consolidated financial statements 2020 are included in the F-Pages of this Prospectus.

occupancy rate, the limited impact COVID-19 has had on the Company in 2020 and the current COVID-19 predictions for 2021, which expect that the situation will improve again in September 2021 (with the return of physical lectures after the implementation of the vaccination programme).

- 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[32], on which dividend payments are 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 investment 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[33], on which dividend payments are based.

- The Company assumes the legal, regulatory and fiscal framework that applies on the date of this Prospectus to determine the forecasts.

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

*New acquisitions:*

- The profit forecast takes into account as yet unidentified acquisitions of EUR°125 million, with a conservatively estimated gross return.

*Net rental result:*

- This result was estimated based on the current contracts. For new buildings, an estimate of the expected rental income was made based on market knowledge. The rental income estimates take into account the current 2020 occupancy rate, the limited impact COVID-19 has had on our Company in 2020 and the current COVID-19 predictions for 2021, which expect that the situation will improve again in September 2021 (with the return of physical lectures after the implementation of the vaccination programme).

- If the Company received a rental guarantee upon acquisition of the property, it was included in the calculation of the result.

- An estimate was made in the budget for doubtful debts. This is a percentage of the rental income and was determined based on historical information and a future estimate. 1.1% non-recoverable receivables, which were historically estimated at 0.3%, were taken into account for 2021.

*Other operating income and expenses:*

- This entry contains income from property management for third parties. The budget is drawn up based on the current contracts and their end date.

*Property charges:*

- These costs mainly include the costs of maintenance and repairs, insurance, property taxes which are not passed on to students, direct student-focused publicity, vacancy costs in the case of structural vacancy, property management and Valuation Experts'

[32] Alternatieve Performance Measures. In accordance with the guidelines issued by the European Securities and Market Authority (ESMA) on 3 July 2016, the definitions of the APMs and the use and reconciliation tables in Chapter 1.8 of the consolidated financial statements 2020 are included in the F-Pages of this Prospectus.

[33] Alternatieve Performance Measures. In accordance with the guidelines issued by the European Securities and Market Authority (ESMA) on 3 July 2016, the definitions of the APMs and the use and reconciliation tables in Chapter 1.8 of the consolidated financial statements 2020 are included in the F-Pages of this Prospectus.

fees. For 2021, they were estimated based on the current portfolio and the expected new acquisitions.

*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 for 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. Only the costs of financial communications can be influenced by the Company.

- The overheads were estimated based on the overheads incurred in 2020, including an increase in overheads as a result of the Company's further growth.

*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 2020 and an estimate of the additional debt to finance the investment programme implemented in 2021. The interest charges are budgeted per contract based on the financing agreements concluded. A successful Offer was taken into account to determine the interest charges.

*Taxes:*

- The taxes include the annual corporation tax. The tax base in Belgium is almost zero thanks to the fiscal transparency enjoyed by the Company. The payable corporation tax mainly relates to tax on income from the Dutch permanent organisation, the Dutch subsidiaries and the Spanish and Portuguese subsidiaries. This calculation is based on the applicable corporate tax rates.

#### *9.2.2.2 Profit forecast*

The profit forecast has been prepared and drawn up on a basis that is comparable with the historical financial information and in accordance with the Company's accounting policy.

Barring unforeseen circumstances, the Company's target for its EPRA earnings[34] per share is EUR°1.80 for the financial year 2021, which represents a 6% increase compared to 2020, with a dividend per share target of EUR°1.44 gross per share (a 6% increase compared to 2020). This would mean that for the financial year 2021, the holders of New Shares are entitled to a gross dividend of EUR°1.1757 per share for the period commencing on 9 March 2021. This estimate is, of course, subject to the results and approval by the Ordinary General Meeting for the financial year 2021. The Company therefore expects a healthy increase in its earnings per share compared to the previous year even though the number of shares increased by 32% in the course of 2020 and 2021 as a result of the successful capital increase in November 2020 and contributions in kind in June and October 2020, and assuming a full take-up of the Offer.

This profit forecast takes into account as yet unidentified acquisitions of EUR°125 million, with a conservatively estimated gross return. Xior therefore expects a further increase in its earnings

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[34] Alternatieve Performance Measures. In accordance with the guidelines issued by the European Securities and Market Authority (ESMA) on 3 July 2016, the definitions of the APMs and the use and reconciliation tables in Chapter 1.8 of the consolidated financial statements 2020 are included in the F-Pages of this Prospectus.

per share in 2021 compared to 2020. This estimate is, of course, subject to the results and approval by the Ordinary General Meeting for the financial year 2021.

# 10. THIRD-PARTY INFORMATION, EXPERT REPORTS AND STATEMENTS

## 10.1. Statutory Auditor

For the information regarding the Statutory Auditor, reference is made to Chapter 4.10 of this Prospectus.

For an overview of the Statutory Auditor's reports that have been included in this Prospectus with the Statutory Auditor's consent, reference is made to Chapter 4.10 and the F-Pages of this Prospectus.

The Statutory Auditor has confirmed to the Company that the Statutory Auditor has no material interests in the Company, except those arising from the mandate as Statutory Auditor of the Company.

## 10.2. Valuation experts

The Company's property portfolio has been appraised by three independent valuation experts since 31 December 2020:

- Stadim CVBA, with its registered office at Mechelsesteenweg 180/8th Floor, 2018 Antwerp, Belgium, with company number 0458.797.033 (Antwerp Register of Legal Entities, Antwerp division) and represented (within the meaning of Article 24 of the Law on Regulated Real Estate Companies) by Céline Janssens;
- Cushman & Wakefield v.o.f. (as legal successor of DTZ Zaldehoff v.o.f.), with its registered office at Gustav Mahlerlaan 362, 1082 ME Amsterdam, The Netherlands, with KVK number 33154480 and represented (within the meaning of Article 24 of the Law on Regulated Real Estate Companies) by Jurre Brantsma;
- Cushman & Wakefield Lda, with its registered office at Avenida de Liberdade 131-5°, 1250-140 Lisbon, Portugal, with N° Matricula 14287 and represented (within the meaning of Article 24 of the Law on Regulated Real Estate Companies) by Ricardo Reis; and
- CBRE Valution Advisory SA, with its registered office at Edificio Castellana 200, P° de la Castellana, 2020 p. 8, 28046 Madrid, Spain, with *Número de Identificación Fiscal:* A-85490217 and represented (within the meaning of Article 24 of the Law on Regulated Real Estate Companies) by Javier Caro.

For the impact of the joint conclusion of the above-mentioned valuation experts with respect to the Company's property portfolio as at 31 December 2020, please refer to Chapter 7.6.2 of this Prospectus. The valuation experts update the valuations each quarter.

Implementing Article 48 of the Law on Regulated Real Estate Companies, the valuation experts have each confirmed that based on the elements available to them on 31 December 2020 and in view of the general economic situation and the state of the assets held by the Company (and its perimeter companies) that they value, and taking into account the valuation of the above-mentioned assets as at 31 December 2020, they do not consider that a new valuation is required in the context of the presented transaction.

The aforementioned independent valuation experts have each confirmed to the Company that they have no material interests in the company except those arising from their respective contractual relationship with the Company as an independent valuation expert for the Company within the meaning of Article 24 of the Law on Regulated Real Estate Companies.

Each of the above valuation experts has agreed to the inclusion of the above joint conclusion in this Prospectus.

## 10.3. Studies

Chapter 9.2.1.2 of this Prospectus includes a section taken from a study carried out by Cushman & Wakefield (Gustav Mahlerlaan 362-364, 1082 ME, Amsterdam, The Netherlands) describing the general state of affairs of the underlying Belgian, Dutch, Spanish and Portuguese student housing property markets.

Cushman & Wakefield (Gustav Mahlerlaan 362-364, 1082 ME, Amsterdam, The Netherlands) has agreed that this information is included in this Prospectus.

Cushman & Wakefield (Gustav Mahlerlaan 362-364, 1082 ME, Amsterdam, The Netherlands) has confirmed to the Company that it has no material interests in the company except those arising from the contractual relationship of Cushman & Wakefield (Gustav Mahlerlaan 362-364, 1082 ME, Amsterdam, The Netherlands) with the Company as an independent valuation expert for the Company within the meaning of Article 24 of the Law on Regulated Real Estate Companies.

## 11. DEFINITION OF KEY TERMS

| | |
|---|---|
| Offer | The Public Offering and the Private Placement of Scrips. |
| Shareholders | The holders of Shares issued by the Company. |
| Shares | The shares issued by the Company that represent the capital with voting rights and with no par value. |
| Belfius Bank | The public limited company under Belgian law Belfius Bank, with its registered office at Place Charles Rogier/Karel Rogierplein 11, 1210 Brussels and entered with the Crossroads Bank for Enterprises under company number VAT BE 0403.201.185 (Brussels Register of Legal Entities). |
| Existing Shareholders | The holders of the Existing Shares. |
| Existing Shares | The 21,046,441 Shares that already existed before the New Shares were issued. |
| Statutory Auditor | PwC Bedrijfsrevisoren / Réviseurs d'Entreprises, a private company incorporated 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 in the context of the Private Placement of Scrips, as mentioned in Chapter 8.1.4 of this Prospectus. |
| F-Pages | The financial pages located at the end of this Prospectus, which include the consolidated financial statements for the financial year ending 31 December 2020 (to be submitted for approval at the shareholders' meeting scheduled on 20 May 2021) and the Statutory Auditor's report of 23 February 2021 on the consolidated financial statements ending 31 December 2020. |
| FSMA | Financial Services and Markets Authority. |
| Delegated Regulation 2019/979 | Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, as amended. |
| Delegated Regulation 2019/980 | Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended. |

| | |
|---|---|
| Delegated Regulations | The Delegated Regulation 2019/979 and the Delegated Regulation 2019/980 together. |
| 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. |
| Law on Regulated Real Estate Companies | The Belgian Law of 12 May 2014 on Regulated Real Estate Companies, as amended. |
| Legislation on Regulated Real Estate Companies | The Law on Regulated Real Estate Companies and the Royal Decree on Regulated Real Estate Companies. |
| Half-Yearly Financial Report 2020 | The half-yearly financial report from the Company's Board of Directors for the period from 1 January 2020 to 30 June 2020, published on 5 August 2020. |
| ING Belgium | The public limited company under Belgian law ING Belgium SA/NV, with its registered office at Avenue Marnix/Marnixlaan 24, 1000 Brussels and entered with the Crossroads Bank for Enterprises under company 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 Priority Allocation Rights, which is from 25 February 2021 up to and including 4 March 2021 according to the Timetable. |
| Subscription Ratio | 1 New Share for 5 Priority Allocation Rights. |
| Annual Financial Report 2019 | The Company's annual financial report for the financial year 2019 (ending 31 December 2019), published on 22 April 2020. |
| Joint Bookrunners | Belfius Bank, ING Belgium, BNP Paribas Fortis, ABN AMRO and KBC Securities. |
| Joint Global Coordinators and Joint Bookrunners | Belfius Bank and ING Belgium. |
| 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, as amended. |
| Delivery Date | Date of payment of the New Shares and the date the New Shares are issued, which is 9 March 2021 according to the Timetable. |
| Member State | A Member State of the European Economic Area. |
| New Shares | The Shares issued in the context of the Offer (with a maximum of 4,209,288). |
| Priority Allocation Rights | The priority allocation rights (within the meaning 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 that includes the lifting of the statutory pre-emptive rights by a RREC in proportion to the part of the capital represented by those Existing Shares: 1 Existing Share offers 5 Priority Allocation Rights, each represented by a coupon no. 18 and therefore entitling the holder to subscribe to 1 New Share in the context of the Offer. |
| Public Offering | The public offering for subscription to the New Shares in Belgium in the context of a capital increase in cash within the authorised capital which lifts the Company's Existing Shareholders' statutory pre-emptive rights, but does allocate Priority Allocation Rights to the Company's Existing Shareholders. |
| Public RREC (or PRREC) | Public regulated real estate company under Belgian law. |
| Opening Date of the Offer | The first day holders of Priority Allocation Rights can submit their subscription orders for the New Shares, which is 25 February 2021 according to the Timetable. |
| PBSA | Purpose-built student accommodation. |
| Private Placement of Scrips | The Underwriters offer Scrips for sale to Belgian and international institutional investors in an exempt private placement in the form of an accelerated bookbuild offering executed in the European Economic Area, the United Kingdom and Switzerland in accordance with Regulation S under the US Securities Act. |
| Prospectus | This document (including all information it includes by reference) prepared in accordance with the Prospectus Regulation and its Delegated Regulations, with a view to the Offer and the admission of the New Shares and the Priority Allocation Rights to trading on the Euronext Brussels regulated market. |
| Prospectus Regulation | Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended. |
| Fair Value | The investment value as determined by an independent property expert less the transaction fees (see BE-REIT Association press release of 10 November 2016). The Fair Value corresponds to the book value under IFRS (or "Fair Value" of the investment property (IAS 40.5)). |
| Summary | The summary of this Prospectus, which was approved as part of this Prospectus by the FSMA on 24 February 2021. |
| Scrips | The (i) Priority Allocation Rights that were not exercised on the closing date of the Subscription Period and the (ii) Registered Priority Allocation Rights (x) for which a correctly completed subscription form or dematerialisation request was not received on time, (y) that were not sold in the name of the Company and for the account of the relevant registered shareholder by ING Belgium SA/NV (despite any instructions in the subscription form), or (z) for which the total Issue Price was not paid on time (and will therefore be qualified as non-exercised Priority Allocation Rights) and |

| | |
|---|---|
| | that will be offered for sale to investors by the Underwriters in the context of a Private Placement of Scrips. |
| TERP | The theoretical ex-rights price per Share based on the Share's closing price on the Euronext Brussels regulated market on 23 February 2021 (which was EUR 48.40), adjusted to take into account the estimated value of coupons no. 16 and 17 detached on 24 February 2021 (after the end of trading), or EUR 48.00 after this adjustment. |
| Timetable | The indicative timetable for the Offer, which is described in Chapter 8.1.10 of this Prospectus 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 42.50. |
| Underwriters | The Joint Global Coordinators and Joint Bookrunners together with the Joint Bookrunners. |
| Underwriting Agreement | The agreement that will be signed by the Company and the Underwriters as described in Chapter 8.4.3 of this Prospectus. |
| US Securities Act | The US Securities Act of 1933, as amended. |
| Company | The public limited company under Belgian law Xior, a Public RREC with its registered office at Mechelsesteenweg 34, Box 108, 2018 Antwerp, and entered in the Antwerp Register of Legal Entities under number 0547.972.794 (Register of Legal Entities, Antwerp division). |
| United States | The United States as defined in Regulation S under the US Securities Act. |
| Market Abuse Regulation | Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, as amended. |
| 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, as amended. |
| Belgian Companies and Associations Code | The Law of 23 March 2019 implementing the Belgian Companies and Associations Code and containing various provisions, as amended. |
| Xior | The Company. |

Oosterweg
WAGENINGEN

"Note: this is an extract of Chapter 10 of the Consolidated Annual Financial Report that will be published on 20 April 2021."

# 10 FINANCIAL REPORT



XIOR I Annual financial report I 2020

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# 10.1 CONSOLIDATED INCOME STATEMENT

| | | Figures in thousands of EUR | Note | 31/12/2020 | 31/12/2019 |
|---|---|---|---|---|---|
| I | (+) | Rental income | | 58,434 | 45,056 |
| | (+) | Rental income | | 56,805 | 41,347 |
| | (+) | Rental guarantees | | 2,296 | 3,979 |
| | (+/-) | Rent reductions | | -666 | -270 |
| III | (+/-) | Rent-related expenses | | -539 | -125 |
| | | *Impairments of trade receivables* | | -539 | -125 |
| | | **NET RENTAL INCOME** | **10.9.1** | **57,896** | **44,931** |
| V | (+) | Recovery of rental charges and taxes normally payable by the tenants for let properties | | 10,914 | 8,193 |
| | | *Transmission of rental charges borne by the proprietor* | | 10,820 | 8,055 |
| | | *Calculation of withholding tax and taxes on let properties* | | 94 | 138 |
| VII | (-) | Rental charges and taxes normally payable by the tenants for let properties | | -12,781 | -9,012 |
| | | *Rental charges borne by the proprietor* | | -12,668 | -8,869 |
| | | *Withholding tax and taxes on let properties* | | -114 | -143 |
| VIII | (+/-) | Other rent-related income and expenditure | | 2,429 | 1,395 |
| | | **PROPERTY RESULT** | **10.9.1** | **58,457** | **45,508** |
| IX | (-) | Technical costs | | -2,409 | -1,538 |
| | | *Recurring technical costs* | | -2,429 | -1,621 |
| | (-) | Maintenance | | -1,970 | -1,282 |
| | (-) | Insurance premiums | | -459 | -339 |
| | | *Non-recurring technical costs* | | 20 | 83 |
| | (-) | Loss/damage cases | | 20 | 83 |
| X | (-) | Commercial costs | | -398 | -390 |
| | (-) | Advertising | | -320 | -334 |
| | (-) | Lawyers' fees and legal costs | | -79 | -56 |
| XI | (-) | Costs and taxes for non-let properties | | -655 | -423 |
| XII | (-) | Property management costs | | -2,556 | -2,946 |
| | (-) | External management costs | | 0 | -768 |
| | (-) | Internal management costs | | -2,556 | -2,178 |
| XIII | (-) | Other property charges | | -2,025 | -1,697 |
| | (-) | Architects' fees | | 0 | -4 |
| | (-) | Valuation expert fees | | -589 | -312 |
| | (-) | Other | | -1,436 | -1,381 |
| | | **PROPERTY CHARGES** | **10.9.2** | **-8,043** | **-6,994** |
| | | **PROPERTY OPERATING RESULT** | | **50,414** | **38,515** |
| XIV | (-) | General company expenses | 10.9.3 | -5,996 | -3,500 |
| XV | (+/-) | Other operating income and expenses | 10.9.4 | 53 | 54 |
| | | **OPERATING RESULT BEFORE RESULT ON PORTFOLIO** | | **44,471** | **35,069** |
| XVI | (+/-) | Result from the sale of investment properties | 10.9.5 | | |
| | (+) | *Net property sales (sales price – transaction fees)* | | | |
| | (-) | *Book value of sold property* | | | |
| XVIII | (+/-) | Variations in the fair value of investment property | 10.9.5 | -50,448 | 17,982 |
| | (+) | *Positive variations in the fair value of investment property* | | 11,664 | 25,820 |
| | (-) | *Negative variations in the fair value of investment property* | | -62,112 | -7,839 |
| XIX | (+/-) | Other portfolio result | 10.9.5 | -15,782 | -22,005 |
| | | **OPERATING RESULT** | | **-21,759** | **31,046** |
| XX | (+) | Financial income | | 722 | 261 |
| | (+) | *Interest and dividends collected* | | 722 | 261 |
| XXI | (-) | Net interest costs | | -7,324 | -7,478 |
| | (-) | *Nominal interest paid on loans* | | -4,197 | -4,720 |
| | (-) | *Breakdown of nominal amount of financial debt* | | -337 | -218 |
| | (-) | *Costs of permitted hedging instruments* | | -2,791 | -2,540 |
| | | *Permitted hedging instruments not subject to hedging accounting as defined by the IFRS* | | -2,791 | -2,540 |
| XXII | (-) | Other financial costs | | -1,009 | -404 |
| | (-) | *Bank costs and other commissions* | | -869 | -378 |
| | (-) | *Other* | | -139 | -26 |
| XXIII | (+/-) | Variations in the fair value of financial assets and liabilities | | -8,837 | -9,150 |
| | | *Permitted hedging instruments not subject to hedging accounting as defined by the IFRS* | | -8,837 | -9,150 |
| | | *Other* | | | |
| | | **FINANCIAL RESULT** | **10.9.6** | **-16,449** | **-16,771** |
| XXIV | | Share in the result of associated companies and joint ventures | | -676 | -1,398 |
| | | **RESULT BEFORE TAXES** | | **-38,884** | **12,877** |
| XXV | (+/-) | Corporate tax | | -2,912 | -5,093 |
| XXVI | (+/-) | Exit tax | | 23 | -124 |
| | | **TAXES** | **10.9.7** | **-2,889** | **-5,218** |
| | | **NET RESULT** | | **-41,773** | **7,659** |

| Earnings per share | 31/12/2020 | 31/12/2019 |
|---|---|---|
| Number of ordinary shares in circulation | 21,046,441 | 19,133,129 |
| Weighted average number of shares | 19,560,351 | 14,996,135 |
| Net result per ordinary share (in EUR) | -2.14 | 0.51 |
| Diluted net result per ordinary share (in EUR) | -2.14 | 0.51 |
| **EPRA earnings per share (in EUR)** | **1.74** | **1.61** |
| **EPRA earnings per share (EUR) - share of the group** | **1.70** | **1.60** |

The earnings per share were calculated based on the weighted average number of shares in circulation during the financial year 2020.

## 10.2 CONSOLIDATED COMPREHENSIVE RESULT

| | Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|---|
| **Net result** | | **-41,773** | **7,659** |
| **Other components of the comprehensive result** | | | |
| | | | |
| (+/-) | Impact on the fair value of estimated transaction costs and costs resulting from hypothetical disposal of investment properties | 0 | 0 |
| (+/-) | Variations in the effective part of the fair value of permitted cash flow hedging instruments | 0 | 0 |
| | | | |
| **Comprehensive result** | | **-41,773** | **7,659** |
| Attributable to: | | | |
| Minority interests | | 228 | 127 |
| Group shareholders | | -42,001 | 7,532 |

## 10.3 CONSOLIDATED BALANCE SHEET

| Assets | | Figures in thousands of EUR | Note | 31/12/2020 | 31/12/2019 |
|---|---|---|---|---|---|
| **I** | | **Fixed Assets** | | **1,565,384** | **1,255,584** |
| | A | Goodwill | | | |
| | B | Intangible fixed assets | | 145 | 52 |
| | C | Investment property | 10.9.8 | 1,555,779 | 1,190,791 |
| | | *Property available to let* | | 1,410,782 | 1,111,685 |
| | | *Property developments* | | 144,998 | 79,106 |
| | D | Other tangible fixed assets | 10.9.9 | 971 | 851 |
| | | *Tangible fixed assets for own use* | | 971 | 851 |
| | | *Other* | | | |
| | E | Financial fixed assets | 10.9.10 | 4,166 | 25 |
| | | *Assets held until maturity* | | 4,000 | 0 |
| | | *Other* | | 166 | 25 |
| | F | Financial leasing receivables | | | |
| | G | Trade receivables and other fixed assets | 10.9.11 | 135 | 135 |
| | H | Deferred taxes – assets | | 1,013 | 96 |
| | I | Participating interests in associated companies and joint ventures with equity movements | 10.9.12 | 3,175 | 63,635 |
| **II** | | **Current assets** | | **54,932** | **20,945** |
| | D | Trade receivables | 10.9.13 | 4,887 | 1,163 |
| | E | Tax receivables and other current assets | 10.9.14 | 34,394 | 13,410 |
| | | *Taxes* | | 2,912 | 714 |
| | | *Other* | | 31,482 | 12,696 |
| | F | Cash and cash equivalents | 10.9.15 | 9,911 | 4,269 |
| | G | Accruals and deferred payments | 10.9.16 | 5,741 | 2,103 |
| | | *Prepaid property charges* | | 1,845 | 1,247 |
| | | *Accrued rental income not due* | | 259 | 36 |
| | | *Other* | | 3,638 | 820 |
| **Total assets** | | | | **1,620,316** | **1,276,529** |

| Liabilities | Figures in thousands of EUR | Note | 31/12/2020 | 31/12/2019 |
|---|---|---|---|---|
| **Equity** | | **10.4** | **659,503** | **625,808** |
| **I** | **Equity attributable to parent company shareholders** | | **641,194** | **610,428** |
| A | Capital | 10.9.17 | 375,441 | 342,125 |
| | *Issued capital* | | 378,836 | 344,396 |
| | *Capital increase costs* | | -3,395 | -2,271 |
| B | Issue premiums | 10.9.17 | 338,065 | 276,441 |
| C | Reserves | 10.4 | -30,310 | -16,108 |
| | *Statutory reserves* | | | |
| | *Reserve for the balance of variations in the fair value of property* | | 43,861 | 29,530 |
| | *Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property* | | -25,292 | -22,072 |
| | *Reserve for the balance of the variations in the fair value of permitted hedging instruments not subject to hedging accounting as defined in the IFRS* | | -15,467 | -8,184 |
| | *Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method* | | -1,962 | 0 |
| | *Unavailable reserve: reserve for foreseeable losses* | | | |
| | *Other reserves* | | | |
| | *Retained earnings from previous financial years* | | -31,449 | -15,382 |
| D | Net result for the financial year | | -42,001 | 7,969 |
| **II** | **Minority interests** | | **18,309** | **15,381** |
| **Liabilities** | | | **960,813** | **650,720** |
| **I** | **Non-current liabilities** | | **834,196** | **582,035** |
| A | Provisions | | | |
| | *Pensions* | | | |
| | *Other* | | | |
| B | Non-current financial debts | 10.9.23 | 733,182 | 500,425 |
| | a Credit institutions | | 621,392 | 500,425 |
| | b Financial leasing | | 2,513 | 0 |
| | c Other | | 109,277 | 0 |
| C | Other non-current financial liabilities | 10.9.20 | 26,530 | 15,467 |
| | Permitted hedging instruments | | 26,530 | 15,467 |
| E | Other non-current liabilities | 10.9.21 | 23,333 | 19,329 |
| F | Deferred taxes – liabilities | 10.9.22 | 51,150 | 46,813 |
| | a Exit tax | | 3,335 | 0 |
| | b Other | | 47,815 | 46,813 |
| **II** | **Current liabilities** | | **126,618** | **68,685** |
| B | Current financial liabilities | | 90,309 | 1,706 |
| | a. Credit institution | | 90,309 | 1,706 |
| D | Trade debts and other current liabilities | 10.9.24 | 15,186 | 10,806 |
| | Exit tax | | -108 | 206 |
| | Other | | 15,294 | 10,600 |
| | *Suppliers* | | 10,594 | 5,657 |
| | *Tenants* | | 663 | 686 |
| | *Taxes, salaries and social security contributions* | | 4,036 | 4,257 |
| E | Other current liabilities | 10.9.25 | 15,846 | 50,906 |
| | *Other* | | 15,846 | 50,906 |
| F | Accruals and deferred payments | 10.9.26 | 5,277 | 5,266 |
| | *Deferred property income* | | 490 | 1,176 |
| | *Accrued interest not due and other costs* | | 1,794 | 2,083 |
| | *Other* | | 2,993 | 2,007 |
| **Total equity and liabilities** | | | **1,620,316** | **1,276,529** |



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## 10.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Figures in thousands of EUR | Capital | Issue premiums | Reserves | Net result of the financial year | Minority interests | Equity |
|---|---|---|---|---|---|---|
| **Balance as at 31 December 2018** | **245,672** | **147,239** | **1,003** | **16,105** | **0** | **410,019** |
| Net appropriation of income 2018 | | | | | | |
| Transfer of result on the portfolio to reserves | | | 7,190 | -7,190 | | 0 |
| Transfer of operating result to reserves | | | 2,289 | -2,289 | | 0 |
| Result for the period | | | | 7,659 | | 7,659 |
| Other elements recognised in the comprehensive result | | | | | | |
| Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property | | | | | | |
| Variations in the fair value of financial assets and liabilities | | | -7,259 | 7,259 | | 0 |
| Issue of new shares | 211,761 | | | | | 211,761 |
| Capital increase through non-cash contribution | 17,997 | | | | | 17,997 |
| Costs of issuing new shares and of capital increase | -104 | -4,000 | | | | -4,104 |
| Partial allocation of capital to issue premiums | -133,201 | 133,201 | | | | 0 |
| Put option for minority interests | | | -19,329 | | | -19,329 |
| Dividends | | | | -13,887 | | -13,887 |
| Other reserves | | | | 309 | 15,382 | 15,382 |
| **Balance as at 31 December 2019** | **342,125** | **276,440** | **-16,108** | **7,968** | **15,382** | **625,808** |
| Net appropriation of income 2019 | | | | | | |
| Transfer of result on the portfolio to reserves | | | -11,110 | 11,110 | | 0 |
| Transfer of operating result to reserves | | | -7,930 | 7,930 | | 0 |
| Result for the period | | | | -42,001 | 228 | -41,773 |
| Other elements recognised in the comprehensive result | | | | | | |
| Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property | | | | | | |
| Variations in the fair value of financial assets and liabilities | | | 7,284 | -7,284 | | 0 |
| Issue of new shares | 54,681 | | | | | 54,681 |
| Capital increase through non-cash contribution | 41,383 | | | | | 41,383 |
| Costs of issuing new shares and of capital increase | -1,124 | | | | | -1,124 |
| Partial allocation of capital to issue premiums | -61,624 | 61,624 | | | | 0 |
| Put option for minority interests | | | -2,481 | | | -2,481 |
| Dividends | | | | -19,495 | | -19,495 |
| Other reserves | | | 35 | -229 | | -194 |
| Entry into capital XL Fund - minority interests | | | | | 2,700 | 2,700 |
| **Balance as at 31 December 2020** | **375,441** | **338,064** | **-30,310** | **-42,001** | **18,309** | **659,503** |

Figures in thousands of EUR

| Detail of reserves | Reserve for the balance of variations in the fair value of property | Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property | 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 | Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method | Other reserves | Retained earnings from previous financial years | Total of the reserves |
|---|---|---|---|---|---|---|---|
| **Balance sheet as at 31 December 2018** | **19,333** | **-19,064** | **-924** | **0** | **0** | **1,658** | **1,003** |
| Net appropriation of income | | | | | | 16,105 | 16,105 |
| Transfer of result on the portfolio to reserves | 10,197 | -3,007 | | | | -7,190 | 0 |
| Transfer of operating result to reserves | | | | | | | |
| Other elements recognised in the comprehensive result | | | | | | | |
| Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property | | | | | | | |
| Variations in the fair value of financial assets and liabilities | | | -7,259 | | | 7,259 | 0 |
| Issue of new shares | | | | | | | |
| Capital increase through non-cash contribution | | | | | | | |
| Costs of issuing new shares and of capital increase | | | | | | | |
| Capital reduction to create an available reserve to cover future losses | | | | | | | |
| Deferred taxes for Dutch real estate | | | | | | | |
| Dividends | | | | | | -13,887 | -13,887 |
| Other | | | | | | -19,329 | -19,329 |
| **Balance sheet as at 31 December 2019** | **29,530** | **-22,071** | **-8,183** | **0** | **0** | **-15,382** | **-16,108** |
| Net appropriation of income | | | | | | 7,659 | 7,659 |
| Transfer of result on the portfolio to reserves | 14,331 | -3,221 | | | | -11,110 | 0 |
| Transfer of operating result to reserves | | | | | | | |
| Other elements recognised in the comprehensive result | | | | | | | |
| Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property | | | | | | | |
| Variations in the fair value of financial assets and liabilities | | | -7,284 | | | 7,284 | 0 |
| Issue of new shares | | | | | | | |
| Capital increase through non-cash contribution | | | | | | | |
| Costs of issuing new shares and of capital increase | | | | | | | |
| Dividends | | | | | | -19,495 | -19,495 |
| Other | | | | | | -2,365 | -2,365 |
| Transfer to new reserve account | | | | -1,962 | | 1,962 | 0 |
| **Balance sheet as at 31 December 2020** | **43,861** | **-25,292** | **-15,467** | **-1,962** | **0** | **-31,449** | **-30,310** |

# 10.5 CONSOLIDATED CASH FLOW STATEMENT

| in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD** | **4,269** | **1,677** |
| **1. Cash flow from operating activities** | **3,292** | **-45,813** |
| Cash flow relating to operations | -39,826 | 20,533 |
| Operating result | -21,760 | 31,045 |
| Interest paid | -12,388 | -8,047 |
| Interest received | | |
| Corporate taxes paid | -5,678 | -2,465 |
| Non-cash elements added to/subtracted from the result | **70,614** | **-5,285** |
| * Amortisations and depreciations | 191 | 169 |
| Amortisation/depreciation/impairments (or writebacks) on tangible and intangible assets | 191 | 169 |
| * Other non-cash elements | 70,423 | -5,454 |
| Variations in the fair value of the investment property | 60,593 | -3,324 |
| Other non-cash elements | 9,959 | -2,130 |
| Change in working capital requirements[1]: | **-27,496** | **-61,061** |
| * Movement of assets: | --25,744 | -29,483 |
| Trade receivables and other receivables | -1,942 | 168 |
| Tax receivables and other current assets | -20,927 | -28,865 |
| Accruals and deferred payments | -2,876 | -786 |
| * Movement of liabilities: | -1,751 | -31,578 |
| Trade debts and other current liabilities | 2,260 | -33,387 |
| Other current liabilities | -3,294 | 3,938 |
| Accruals and deferred payments | -717 | -2,129 |
| **2. Cash flow from investment activities** | **-282,360** | **-252,915** |
| Acquisition of investment property and property developments | -185,048 | -59,700 |
| Sale of investment property | | |
| Purchase of shares in real estate companies(1) | -96,907 | -170,592 |
| Sale of shares in real estate companies | | |
| Acquisition of other tangible assets | -282 | -305 |
| Acquisition of non-current financial fixed assets | -123 | -22,318 |
| Receivables on trade and other non-current assets | | |
| Assets held for sale | | |
| **3. Cash flow from financing activities** | **281,624** | **297,729** |
| * Change in financial liabilities and financial debts | | |
| Increase in financial debts | 257,805 | 190,577 |
| Decrease in financial debts | -1,940 | -102,000 |
| Repayment of shareholder loans | | |
| *Change in other liabilities | | |
| Increase (+)/decrease (-) in other liabilities | -8,436 | 15,381 |
| Increase (+)/decrease (-) in other debts | | |
| Increase in minority interests | 132 | |
| * Change in equity | | |
| Increase (+)/decrease (-) in capital/issue premiums | 54,681 | 201,681 |
| Other | | |
| Costs for the issue of shares | -1,124 | -104 |
| * Dividend | | |
| Dividend for the previous financial year (-) | -19,495 | -7,806 |
| Increase in cash following mergers/acquisitions | 3,087 | 3,590 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR** | **9,911** | **4,269** |

(1) This concerns the price paid for shares in the various real estate companies acquired. This price does not correspond to the price of the property as the companies were partially financed with loans.

[1] The movement in working capital cannot be linked to the movement on the balance sheet as this has been corrected for the impact of the acquisitions throughout the year. For an overview of acquired assets and liabilities, see note 10.9.30.2.

# 10.6 NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## 10.6.1 GENERAL CORPORATE INFORMATION

Xior Student Housing NV is a public Regulated Real Estate Company (RREC) that is subject to the application of Belgian law and has its registered office in Antwerp.

The Company's consolidated annual financial statements for the financial year closing on 31 December 2020 include Xior Student Housing NV and its subsidiaries (the '**Group**'). The Board of Directors approved the annual financial statements for publication. They will be submitted to the annual general meeting on 20 May 2021.

## 10.6.2 IMPORTANT FINANCIAL REPORTING PRINCIPLES

**Statement of conformity**

The Company's financial reporting has been drawn up in accordance with the IFRS, as approved within the European Union, and the provisions of the Royal Decree on Regulated Real Estate Companies.

These standards include all new and revised standards and interpretations published by the *International Accounting Standards Board* ("**IASB**") and the *International Financial Reporting Interpretations Committee* ("**IFRIC**"), insofar as these apply to the Company's activity and effectively to the current financial year.

**Standards and interpretations applicable for the financial year beginning on or after 1 January 2020**

- IAS 1 and IAS 8 *Definition of material*
- IFRS 3 *Business combinations: Definition of a company*
- IFRS 9, IAS 39 and IFRS 7 *Interest rate benchmark reform – phase 1*
- Amendments to the references to the Conceptual Framework in IFRS standard

**Standards and interpretations issued but not yet applicable to the annual period starting on 1 January 2020**

- Amendments to IAS 1 *Presentation of financial statements: classification of liabilities as current or non-current* (applicable to annual periods beginning on or after 1 January 2023, but not yet approved within the European Union)
- Amendments to IFRS 3 *Business Combinations: reference to the conceptual framework* (applicable to annual periods beginning on or after 1 January 2022, but not yet approved within the European Union)
- Amendments to IFRS 4 *Insurance contracts – deferral of IFRS 9* (applicable to annual periods beginning on or after 1 January 2021, but not yet approved within the European Union)
- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 *Interest rate Benchmark reform – Phase 2* (applicable to annual periods beginning on or after 1 January 2021 but not yet approved within the European Union)
- Amendments to IAS 16 *Tangible fixed assets: income obtained for its intended use* (applicable to annual periods beginning on or after 1 January 2022 but not yet approved within the European Union)
- Amendments to IFRS 16 *Leases: COVID-19-related rental concessions* (applicable to annual periods beginning on or after 1 June 2020)
- IFRS 17 *Insurance contracts* (applicable to annual periods beginning on or after 1 January 2023, but not yet approved within the European Union)
- Amendments to IAS 37 *Provisions, contingent liabilities and contingent assets: onerous contracts – cost to comply with the contract* (applicable to annual periods beginning on or after 1 January 2022 but not yet approved within the European Union)
- Annual improvements to the *2018-2020* cycle (applicable to annual periods starting on or after 1 January 2022 but not yet approved within the European Union)

The Company does not expect that the first application of these standards and interpretations, except IFRS 3 Revised, will have a material impact on the financial position and performances.

With the entry into force of IFRS 3 Revised, the option to apply IFRS 3 for Investment Property packaged in '*corporate wrapper*' (via a share transaction) lapses. Therefore, IAS 12§15 (b) should also be applied whereby the "purchased" deferred taxes should not be recognised. These do give rise to a contingent liability, which is explained further in the annual report.

## 10.6.3 ACCOUNTING PRINCIPLES

The financial information is drawn up in thousands of euros, rounded off to the closest thousand. The Company also keeps its books in euros. Investment property (including projects) and hedging instruments are recognised at fair value. The other items in the consolidated financial statements are recorded based on historical cost. Please find below a summary of the main financial reporting principles.

## 10.6.4 SIGNIFICANT ACCOUNTING ESTIMATES AND KEY UNCERTAINTIES

**Significant estimates in drawing up of the financial statements**

- When control is taken over an entity holding investment property, it is determined whether such an acquisition is considered a business combination. In all cases the respective transactions were processed as direct purchases of assets (also when shares in real estate companies are acquired) and IFRS 3 Business Combinations was not applied (see note 10.6.6). IFRS 3 Revised was applied from the financial year beginning on 1 January 2020 (see note 10.6.2).
- It is determined whether derivative assets and liabilities qualify for hedge accounting. The Company has no hedging instruments qualifying as hedge accounting and the evolutions in the hedging instruments' fair value are therefore processed in the income statement.

**Determining the fair value of investment property**

The fair value of the investment property is determined by independent valuation experts in accordance with the Legislation on Regulated Real Estate Companies. The fair value is calculated by the valuation experts using the discounted cash flow (for more information, see *Chapter 8.2.4.1 of the Annual Report*).

## 10.6.5 PRINCIPLE FOR CONSOLIDATION

The companies acquired during the last financial year were not processed as business combinations as defined under IFRS 3, but as the purchase of assets, since we only acquired the assets and in certain cases the tenancy agreement and then fully integrated these into our organisation.

(i) Subsidiaries

- Subsidiaries are entities over which the undertaking exercises control. An undertaking therefore exercises control over a subsidiary if, and only if, the parent undertaking:
- Has power over the holding;

- Is exposed to, and has rights to variable returns, by reason of its involvement in the holding; and
- Is able to use its power over the holding to influence the size of the investor's return

Minority interests are the interests in subsidiaries that are not held directly or indirectly by the Group.

Changes to the Company's interest in a subsidiary that do not lead to a loss of control are dealt with as equity transactions. The carrying amount of the Group's interest and the minority interests are therefore adapted to reflect the new proportional interests in the subsidiary.

If the Company loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the sum of the fair value of the payment received and the fair value of the interest held, and (ii) the previously recognised carrying amount of the assets (including goodwill), the liabilities of the subsidiary and any minority interests. Amounts that would previously be recognised in the other elements of the total result relating to the subsidiary are recognised in the same manner (reclassification to profit or loss or directly to the retained earnings) as when the disposal of the relevant assets or liabilities occurred. The fair value of any interest retained in the former subsidiary at the date of loss of control is regarded as the fair value on initial recognition for measurement in accordance with IAS 39 *Financial Instruments: recognition and measurement or*, when applicable, as the cost on initial recognition of an associate or jointly controlled entity.

(ii) Joint ventures

Joint ventures have been established by contractual agreement as companies over which the group has joint control. Such joint control applies when the strategic, financial and operational decisions regarding the activity require unanimous consent from the parties sharing control (the participants in the joint venture). As defined in IFRS 11 Joint agreements, the results and the balance sheet impact of joint ventures (Promgranjo U.hub and Invest Drève Saint Pierre), of which Xior holds 50%, are processed according to the equity method.

(iii) Transactions eliminated from the consolidation

All transactions between group undertakings, balances and unrealised gains and losses on their transactions are eliminated when the consolidated annual financial statements are prepared.

## 10.6.6 BUSINESS COMBINATIONS AND GOODWILL

If the Group acquires control over an integrated set of activities and assets, as defined in IFRS 3 *Business combinations*, the identifiable assets, liabilities and conditional liabilities of the acquired undertaking are recognised at their fair value on the acquisition date. The goodwill represents the positive difference between the total of the transferred payment, the amount of the minority interests and, if applicable, the fair value of the previously held interest in the acquired party and the Group's share in the fair value of the net identifiable assets. If this difference is negative (negative goodwill), it is immediately posted to the result after a reassessment of the assets.

After its initial recognition, goodwill is not amortised, but subject to an impairment test that is performed each year with the cash-generating units to which the goodwill was allocated. If the carrying amount of the cash-generating unit exceeds the present value of the Company, the ensuing loss in value will be posted to the result and initially recognised to reduce any goodwill and then to the other assets of the unit, in proportion to their carrying amount.

A goodwill impairment is not resumed during a subsequent financial year.

## 10.6.7 INVESTMENT PROPERTY

(i) General

Properties that are held for long-term rental income, for their appreciation in value or for both reasons, and that do not serve for the Company's own use, are recorded as an investment property.

Property that is built or developed for future use as an investment property (property development) is also recognised under the item Investment property (see also below).

(ii) Valuation on initial recognition

Investment property includes all property that is ready for letting and that fully or partially generates rental income. Investment property is valued at the time of purchase at the acquisition value, including additional transaction fees such as professional fees, statutory services, registration duties, other transfer taxes and non-deductible VAT. If the property is acquired via a share transaction, the acquisition price also includes an adjustment for exit tax, which is due by the companies over which the Company acquires direct or indirect control (this is deducted, in principle, from the value of the underlying property since it is a tax on the latent added value that existed in the acquired company before the acquisition of control), unless these companies are not eligible for a merger with the Company (based on a resolution by the Company's Board of Directors). Commissions relating to the purchase of properties are regarded as additional costs of those purchases and are added to the acquisition value.

If the property is obtained by acquiring the shares of a real estate company, through the contribution in kind of property against the issue of new shares, or through a merger by acquisition of a real estate company, the notarial charges, audit and consulting, merger and other costs are also capitalised.

The property also includes the permanent furnishings and fittings of the student rooms if these are let on a furnished basis.

(iii) Valuation after initial recognition

After their initial recognition, the investment properties are appraised by the Valuation Expert.

The Valuation Expert precisely appraises the following components at the end of each quarter:

- The properties, the properties by designated use and the real rights to properties that are held by the Company or, where applicable, by a real estate company over which it has control;

The Valuation Expert first determines the investment value of the property, which includes the transfer costs. The registration duties are not deducted from the property value. This valuation is obtained by discounting the actual rental income and/or market rentals (DCF method – for more information see ***Chapter 8.2.4.1 of the Annual Report***), where applicable after deducting the associated costs. The discounting is done on the basis of the *yield* factor that depends on the inherent risk of the specific property. The Valuation Expert appraises the property in accordance with national and international valuation standards and their application procedures, including in relation to the valuation of a regulated real estate company.

The investment property is then recognised in the balance sheet at the Fair Value, in accordance with IAS 40. The Fair value of the investment properties is the investment value, as determined by an independent valuation expert, minus the transaction fees. The Fair Value corresponds to the carrying amount under IFRS. From the seller's perspective, this must be understood as subject to the deduction of transfer taxes or registration duties. The estimated amount of transfer taxes for properties located in Belgium was fixed at 2.5% for investment property with a value in excess of EUR 2.5 million.[2] Transfer taxes of 10% (Flanders) to 12.5% (Brussels and Wallonia), depending on the region in which the buildings are located must be taken into account for transactions with a global value of less than EUR 2.5 million.

[2] Belgian Assets Managers Association (BEAMA) press release of 8 February 2006 'Closed-end property investment companies and the first application of the IFRS accounting rules'. This percentage was confirmed in a press release of the BE-REIT Association on 10 November 2016..

This specifically means that the Fair Value of the property is equal to the investment value divided by 1.025, 1.10 or 1.125, depending on the value and location of the property. The difference between the Fair Value of the property and its Investment Value is recognised in the income statement under Variations in the Fair Value of investment property and allocated in the appropriation of the income to the item *"Reserve for the impact on the Fair Value of the estimated transaction costs and costs resulting from hypothetical disposal of investment properties"* in the equity.

The independent valuation experts take the theoretical local registration duties into account for buildings located outside Belgium.

*Registration taxes applicable per country*

| | |
|---|---|
| The Netherlands | 8 %[3] |
| Spain | 2.5 % |
| Portugal | 2.5 % |

Profits or losses arising from changes in the Fair Value of an investment property are recognised in the income statement in the period in which they arise and are allocated in the profit appropriation to the '*Reserve for the balance of the changes in the Fair Value of property*'.

## 10.6.8 PROPERTY DEVELOPMENTS

Property developments include land and buildings in progress as a result of which these only require investments and do not generate any rental income for a certain period.

Properties that are built or developed for future use as an investment property are recognised in the subitem 'Project developments' of the item 'Investment property' and, in accordance with IAS 40, are appraised at their Fair Value until the development is completed. The assets are then transferred to the subitem *'Property available for letting' of the item 'Investment property'*, still at their Fair Value.

After their initial recognition, the projects are appraised at their Fair Value if all the following criteria are met: (i) the project costs to be incurred can be reliably estimated and (ii) all necessary permits for the property development have been obtained. This Fair Value measurement is based on the valuation by the Valuation Expert (according to the normal methods and assumptions) and takes the costs (including a contingency estimate) still to be incurred for the completion of the project into consideration.

All costs directly related to the purchase or development and all subsequent investments that are recognised as transaction fees (costs of new buildings and/or renovations, including the purchase price of the site and site preparation) are recognised in the balance sheet.

The interest costs that can be directly attributed to the project are also capitalised as part of the cost price of the property development.

The capitalisation of financing costs, in accordance with IAS 23, as part of the cost price of an eligible asset only happens if:

- expenses are incurred for the asset;
- financing costs are incurred; and
- activities are in progress to prepare the asset for its intended use.

The capitalisation of the financing costs will be suspended for long periods during which the development of the asset is interrupted and stopped in any case when the asset is ready for letting.

The item "*Project developments*" is a subitem of the item *"Investment property"* and is included in the calculation of the Fair Value of the property portfolio in operation.

[3] This is the new percentage of transfer taxes applicable from 1/1/2021 in the Netherlands to residential property

## 10.6.9 EXPENSES FOR WORKS TO INVESTMENT PROPERTY

Expenses for works to investment property are deducted from the property operating result if the expenses do not have any positive effect on the expected future economic benefits, and are capitalised if the expected economic benefits that accrue to the entity increase as a result. There are three types of expenses:

- Costs of structural and occasional maintenance, repairs and refurbishments on existing furnishings and furniture, including the internal staff costs of the employees who carry out these repairs: these are charged to the operating property result and are included under the item 'Technical costs';
- New investments and replacement investments in furnishings and fittings: these costs are capitalised and added to the Fair Value of the real estate property to the extent that the student rooms are let on a furnished basis and the new investments and replacement investments lead to an increase in rental levels. To the extent that the new furnishings and fittings lead to the maintenance of the rental income, the costs of new investments and replacement investments are deducted from the property operating result. The costs relate to materials and internal staffing costs, where applicable.
- Costs for major renovations and improvements: renovations are occasional works that add a function to the building or significantly increase the existing comfort level and thus imply an increase in the rent and/or rental value. These costs are capitalised and thus added to the Fair Value of the real estate property. These costs relate to materials, fees, construction work and internal staffing costs. In accordance with IAS 23, borrowing costs incurred specifically for these renovations are also capitalised and, therefore, added to the Fair Value of the investment property to the extent that the building in question does not generate any income during this period. Real estate withholding taxes, levies and other property charges relating to the building undergoing this renovation are also processed in this way, as long as the building does not generate any income. The Valuation Expert deducts the value of work still to be completed from the appraisal. On completion, these costs are capitalised and added to the Fair Value of the real estate property.

## 10.6.10 DISPOSAL OF AN INVESTMENT PROPERTY

Profits or losses made on the sale of an investment property (compared with the Fair Value) are recorded in the income statement of the reporting period under the item 'Income from the sale of investment property'. As the property is sold, both the *'Reserve for the balance of the changes in the Fair Value of property'* and the *'Reserve for the impact of the Fair Value of the estimated transaction costs and costs resulting from hypothetical disposal of investment properties'* in relation to the sold property are transferred to available reserves.

Commissions paid on the sale of buildings, transaction fees and liabilities entered into as a result of transactions are deducted

## 10.6.11 OTHER TANGIBLE FIXED ASSETS

The tangible fixed assets, other than the investment property, are classified as '*other tangible fixed assets'* and are appraised at their acquisition value, less the accumulated depreciation and impairments. The straight-line depreciation method is applied on the basis of the expected useful life.

In the financial year in which the investment is made, depreciation is recorded on a time-apportioned basis according to the number of months that the asset was in use.

The following depreciation rates apply on an annual basis:

- Plant, machinery and equipment: 20%
- Furniture: 10%
- Vehicles: 20%
- IT equipment: 33%

The expected useful life and amortisation method are reviewed at least annually at the end of the financial year. If there are indications that an asset has possibly undergone a special impairment loss, the carrying amount will be compared with the realisable value. If the carrying amount is higher than the realisable value, a special impairment loss will be recorded.

When tangible fixed assets, other than investment property, are sold or taken out of service, the acquisition value and the related depreciation are removed from the balance sheet and the realised gains or losses are recorded in the income statement.

Expenditure on work on other tangible fixed assets is treated in the same way as expenditure on work on investment property.

## 10.6.12 FIXED ASSETS OR GROUPS OF ASSETS HELD FOR SALE

Fixed assets and disposal groups are classified as assets held for sale if their carrying amount will be recovered principally through a sales transaction rather than through continuing use. This condition is only fulfilled when the sale is highly probable and the asset (or disposal group) is immediately available for sale in its current state. The management must have committed to a plan for the sale of the asset (or disposal group) which is expected to qualify for inclusion as a completed sale within one year of the classification date.

Investment property held for sale are valued in the same way as other investment property (at Fair Value) in accordance with IAS 40.

Other fixed assets held for sale are valued at the lower value of their carrying amount and their Fair Value less selling costs (in accordance with IFRS 5).

## 10.6.13 FINANCIAL INSTRUMENTS

The Company may use financial derivatives (*interest rate swaps*) to hedge against interest rate risks originating from operational, financial and investment activities. Financial derivative instruments are included in current and fixed financial assets if their fair values are positive and in long-term and short-term financial liabilities if their fair values are negative.

Profits or losses arising from changes in the Fair Value of financial derivatives are immediately recognised in the income statement unless a derivative complies with the conditions for *hedge accounting*. The Fair Value of financial interest rate derivatives is the amount that the Company expects to receive or pay if that derivative ends on the balance sheet date, for which purpose the applicable interest rate, the credit risk of the counterparty concerned, and the credit risk of the undertaking are taken into account.

If a hedging instrument expires or is sold, or no longer complies with the criteria of *hedge accounting*, the accumulated profits and losses are retained in the equity at first. They are recognised in the income statement only once the liability or the hedged cash flow is recognised in the income statement.

## 10.6.14 CURRENT ASSETS

Current receivables (due in one year or less) are valued at their nominal value, after the deduction of impairments for doubtful or uncollectable receivables.

Non-derivative financial instruments, which are held as part of a business model that aims to hold financial assets to receive contractual cash flows and contract terms of the financial asset that provide cash flows at a given time that relate only to repayments and interest payments on the outstanding principal, are measured at amortised cost. This valuation method is mainly applied to long-term receivables and trade receivables.

Special impairment: in accordance with IFRS 9, Xior is required to recognise expected credit losses on trade receivables: Xior takes a simplified approach and recognises the expected losses on all trade receivables using the provisioning matrix to calculate the lifetime expected credit losses on trade receivables as required by IFRS 9 using historical information on lost receivables adjusted for forward-looking information.

Cash and cash equivalents include cash, demand deposits and other current, very liquid investments that can be converted into cash immediately, whose amount is known, and which bear no material risk of impairment. They are measured at amortised cost and additional costs are recognised immediately in the income statement.

Listed securities are valued at their stock exchange quotation.

## 10.6.15 EQUITY

The capital includes the cash resources obtained at the time of incorporation, merger or because of a capital increase. The external costs (fees of notaries, placement partners and so on) that can be immediately allocated to the issue of new shares are deducted from the equity. Due diligence costs are capitalised on the asset.

Dividends form part of the retained result until the general meeting of shareholders that awards them. The dividends are then recorded as a debt.

## 10.6.16 PROVISIONS

A provision is made if:

- The Company has an existing – legally enforceable or factual – liability due to a past event;
- It is likely that an outflow of resources will be needed to settle the liability; and
- The amount of the liability can be reliably estimated.

The amount that is recognised as a provision is the best estimate of the expenses that are required to settle the existing liability on the balance sheet date, taking into account the risks and uncertainties associated with that liability.

For the sake of completeness, we also refer to *Chapter 10.9.36 of this Annual Report* on the legal and arbitration procedures with regard to these provisions.

## 10.6.17 FINANCIAL LIABILITIES

Financial liabilities are recognised on the balance sheet under current or non-current liabilities, depending on their maturity within twelve months of the closing date.

Trade debts are valued at amortised cost.

Interest-bearing loans are initially recognised at their Fair Value, after the deduction of the transaction fees. Interest-bearing loans are subsequently valued at their amortised cost on the basis of the effective interest method, with interest costs recognised according to the effective interest rate.

The effective interest method is a method for calculating the amortised cost of a financial liability and for allocating interest costs to the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts (including paid or received commissions and payments that form an integral part of the effective interest rate, as well as transaction fees and all other premiums and discounts) during the expected life of the financial liability or, if relevant, a shorter period, to the net carrying amount on initial recognition.

IFRS 16 provides a comprehensive model for the identification of lease agreements and their accounting treatment in the financial statements of both the lessor and lessee. Since becoming effective, this standard supersedes IAS 17 and the corresponding interpretations.

IFRS 16 introduces significant changes to the accounting treatment of lease agreements for the lessee, eliminating the distinction between operating and finance leases and recognising assets and liabilities for all lease agreements (with the exception of short-term leases and low-value assets). In contrast to the lessee's treatment of lease agreements, IFRS 16 retains almost all provisions from IAS 17 – Leases on the lessor's treatment of lease agreements. This means that lessors must continue to categorise the lease agreements as operational or financial lease agreements.

As a result of the XL Fund transaction, Xior has acquired two property objects to which IFRS 16 applies. For this reason, the necessary debt was included in the other long-term debts.

Options on shares are included in the balance sheet at the expected exercise price, if the price is linked to the Fair Value of the property, or to the agreed fiduciary value, if the price is fixed.

These options are recorded under long-term or short-term debt. For options on the shares of a minority shareholder, the option is recorded against equity (Debit Equity of the group).

Options on the shares of joint ventures are recorded in relation to *Participating interests in associated companies and joint ventures with equity movements*.

## 10.6.18 PROPERTY RESULT

The '*net rental income*' includes the rent, operational lease payments and other associated income less the costs associated with letting, such as the rent payable on hired assets and impairments on trade receivables.

Rental discounts are distributed across the minimum contract term on the income statement.

The '*recuperation of rental charges and taxes normally borne by the tenant in let buildings*' mainly includes the recuperation of the costs of heating, water, electricity and the internet by means of a lump-sum, fixed amount for costs that the tenant pays at the start of the tenancy agreement and that is recognised in the result distributed over the term of the tenancy agreement. Property tax is not passed on and remains payable by the Company in case of student housing. For Spain we work with an all-in rent price. On the basis of rental charges, part of the rent paid by the tenant is reclassified from *'net rental'* to *'recovery of rental charges'*.

The *Ø*include the communal charges as well as the cost of the property tax. In accordance with IFRIC 21, the debt and cost of the property tax is fully recognised when it becomes due by the Company (in this case, on 1 January of the financial year).

Income is valued at the Fair Value of the payment that is received and is recognised on a straight-line basis in the income statement in the period to which it relates.

## 10.6.19 PROPERTY CHARGES

Property charges are valued at the Fair Value of the payment that is paid or due and is recognised in the income statement in the period to which they relate.

The technical costs include structural and occasional maintenance and losses from claims covered by insurance companies. The commercial costs include estate agents' fees. Property management expenses primarily include: (i) the costs of the personnel responsible for this activity; (ii) the operational costs of the rental agencies and (iii) the fees paid to third parties.

## 10.6.20 GENERAL EXPENSES OF THE COMPANY AND OTHER OPERATING INCOME AND COSTS

General expenses of the Company are costs relating to the management and general operations of the Company. These include general administrative costs, staffing costs for general management, and depreciation on assets that are used for general management.

## 10.6.21 FINANCIAL RESULT

The financial result consists of interest costs on loans, bank charges and additional financing costs such as the changes of hedging instruments insofar as these are not effective within the meaning of IAS 39, less the returns on investments.

## 10.6.22 PROFIT TAX

This item includes the current tax expense on the result of the financial year and the deferred taxes. Profit tax is recorded directly in the result, unless the tax relates to elements that are recognised directly in the equity. In that case, the tax is also recognised directly in the equity. The current tax expense consists of the expected tax on the taxable income for the year and adjustments for previous financial years.

Deferred tax claims and liabilities are recognised on the basis of the balance sheet method for all temporary differences between the taxable basis and the carrying amount for both assets and liabilities. Deferred tax liabilities are included for all taxable temporary differences. Deferred tax claims are recognised to the extent it is likely that sufficient taxable profit will be realised against which temporary differences can be set off.

Besides the tax on profits, a deferred tax liability is attributed to the latent capital gain of properties. This deferred tax liability will be adjusted if the Fair Value or carrying amount of the property changes as a result of fluctuations in value or tax depreciation, for example in the Netherlands. The calculation of the applied percentage takes into account the projected gross margin on the real estate income in the Netherlands for the coming years. In Spain and Portugal, this amounts to 25% and 21% respectively.

As a result of the application of IFRS 3 Revised and linked to the 'initial recognition exemption' under IAS 12 §15b, no deferred tax was recognised on the difference between the carrying amount at acquisition and the fiduciary value.

This tax may be due on the disposal of the property via an 'asset transaction'. This gives rise to a *contingent liability*. This amounts to KEUR 14,445 on 31 December 2020.

## 10.6.23 EXIT TAX

Deferred taxes for subsidiaries are recorded as the difference between the carrying amount of the investment property after depreciation in the annual financial statements of these subsidiaries, under the Articles of Association, and the Fair Value. These deferred taxes are recorded at the applicable rate of the exit tax if the Board of Directors of the Company and the subsidiary respectively intend to merge the subsidiary with the Company.

(i) General

Exit tax is the corporate tax on the capital gain that is established in the case of a taxed merger of an RREC with a Belgian undertaking that is not an RREC. If this undertaking is included in the Group's scope of consolidation at first, the exit tax will be deducted from the equity of the Company that is to be merged. If the undertaking is not immediately merged with the RREC, adjustments to the exit tax, which prove necessary in relation to the provision amount at the time of the merger, will be recorded via the income statement.

(ii) Exit tax rate

The exit tax rate is 15% as from assessment year 2021 (financial year starting 1 January 2020).

(iii) Principle for calculating the exit tax

The exit tax applies to contributions, mergers, de-mergers and transactions that are equated with mergers or de-mergers, in which the Company participates as an RREC. Such transactions are expressly excluded from tax neutrality. Both the RREC licence and the above transactions in which the Company would participate as an RREC are equated, from a tax perspective, with a dissolution and liquidation of the real estate company or companies involved.

To calculate the exit tax, the actual value of the assets of the Company or of the real estate company or companies involved on the date of the licence or of the relevant transaction is equated with an 'amount paid on the division of the corporate assets'. The positive difference between the amount paid in case of this legal fiction and the enhanced value of the paid-up capital is regarded as a dividend. If the Company participates in a transaction that is equated with a de-merger, the rules on dissolution and liquidation apply only to the separated assets of the real estate company or companies involved.

If the Company is recognised as an RREC, the exit tax is applied to its latent capital gains and exempt reserves at the time it is granted the RREC licence (insofar as this exists at that time). If the Company participates as an RREC in a contribution, merger, de-merger or transaction equated with a merger or de-merger, the exit tax is calculated on the latent capital gains and exempt reserves of the real estate company that makes the contribution by merger, de-merger or an equated transaction. The latent capital gains are calculated as the positive difference between the actual value for tax purposes of the (separated) assets of the real estate company concerned, on the one hand, and the acquisition value of those corporate assets less the depreciation and impairments accepted for tax purposes on the other hand.

Exit tax, payable by companies whose assets are acquired by an RREC through mergers, 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 Company calculates the 'actual value for tax purposes' as referred to in this circular less the registration duties or VAT (that would be applicable if the asset were sold) (the 'Costs payable by the Purchaser') and may differ from – including being lower than – the Fair Value of the property as recognised in the Company's balance sheet in accordance with IAS 40.

(iv) Payment of exit tax

If the Company engages in a contribution, merger, de-merger or transaction equated with a merger or de-merger as an RREC, the exit tax is payable by the real estate company that makes the contribution to the RREC. If a contribution is made to the Company by way of a merger, the exit tax will be payable by the Company as the acquiring company.

(v) Purpose of the exit tax

As an RREC, the Company benefits from a special tax regime. Although it is subject to corporation tax, its taxable base is limited to (i) the extraordinary or gratuitous advantages that it receives and (ii) the expenses and costs that cannot be deducted as business costs (other than impairments and capital losses on shares (Article 185a of the Belgian Income Tax Code 1992). After becoming licensed as an RREC, the Company is thus not taxed on its accounting result, which also implies that its capital gains are not included in its taxable base. The exit tax was introduced to prevent the Company from being definitively exempt from paying tax on the latent, unrealised capital gains and exempt reserves it possesses on the licensing date. With the levying of exit tax, the Company is deemed, as it were, to have settled its past obligations on the date it becomes a licensed RREC. The same reasoning applies to the real estate company or companies involved in a merger, de-merger or a transaction equated with a merger or de-merger in which the Company participates as an RREC.

(vi) Accounting treatment

The exit tax is the corporate tax on capital gains that is established for the taxed merger of an RREC with a non-RREC undertaking. The exit tax due on this capital gain is recognised when the non-RREC undertaking is included in the Group's scope of consolidation for the first time. In principle, the provision for exit tax is revised in the interim only if it needs to be increased because of the appreciation of this undertaking's property. Any over-estimate because of depreciation will be determined only once the merger is actually concluded. These adjustments to the exit tax liability are recorded via the income statement.

## 10.6.24 FINANCIAL RISK MANAGEMENT

### i. Changes in interest rates

Higher interest rates lead to an increase in financial expenses and a fall in EPRA results. In the current context of negative interest rates, the method by which some banks set a minimum percentage of 0% for the Euribor rate used as a reference in financing contracts has a negative impact on the financial expenses. Xior Student Housing uses IRS-type assets and liabilities to hedge the interest rate risk on long-term loans with variable interest rates. An interest rate swap is an agreement between two parties in which the variable interest rate is exchanged for a fixed interest rate. The pursued interest rate policy has hedged 77% of loans drawn down to a fixed interest rate. The average interest rate of the public RREC is 1.85%. Please refer to ***Chapter 10.9.23 of this Annual Report*** for the potential impact of interest changes.

### ii. Financing risk

The long-term financing was concluded in the form of bullet loans. These are loans where the entire principal is paid in full after three to ten years. The diversification of the financing across various banks limits Xior Student Housing's liquidity risk. The loans were all taken out at a fixed interest rate. Xior Student Housing has completed the necessary hedging transactions and converted 77% of its loans drawn down to a fixed interest rate. The effect of interest rate changes on the net result is therefore limited.

### iii. Credit risk

Xior Student Housing monitors rent arrears closely. In case of non-payment, the Company usually uses a rent deposit. For further details, please refer to ***Chapter 10.9.13 of this Annual Report***.

# 10.7 SEGMENT INFORMATION

The segmentation basis for reporting by segment is by geographic region. The rental income is divided by geographic location: Belgium, the Netherlands and Iberia (Spain and Portugal). Every location is further divided into students and other. Commercial decisions are taken at this level and rental income and occupancy rate are followed up at this level.

The non-allocated amounts category includes all expenses that cannot be allocated to a segment.

In the income statement, only the net rental income is broken down by segment.

| 31/12/2020 | Belgium | | The Netherlands | | Iberia | | Non-allocated amounts | Total |
|---|---|---|---|---|---|---|---|---|
| Figures in thousands of EUR | Students | Other | Students | Other | Students | Other | | |
| **Net rental income** | **13,947** | **1,401** | **30,396** | **5,188** | **6,964** | | | **57,896** |
| Property result | | | | | | | 561 | **58,457** |
| Property charges | | | | | | | -8,043 | -8,043 |
| Property operating result | | | | | | | | **50,414** |
| General expenses | | | | | | | -5,996 | -5,996 |
| Other operating income and costs | | | | | | | 53 | 53 |
| Operating result before result on the portfolio | | | | | | | | **44,471** |
| Result from the sale of investment property | | | | | | | 0 | 0 |
| Variations in the Fair Value of investment property | -9,096 | -535 | -33,955 | -220 | -6,642 | | | -50,448 |
| Other portfolio result | -6,712 | 0 | -7,899 | -26 | -1,145 | | | -15,782 |
| Operating result | | | | | | | | **-21,759** |
| Financial result | | | | | | | -16,449 | -16,449 |
| Share in the result of associated companies and joint ventures | | | | | | | -676 | -676 |
| Result before taxes | | | | | | | | -38,884 |
| Taxes | | | | | | | -2,889 | -2,889 |
| **Net result** | | | | | | | | **-41,773** |
| **EPRA earnings** | | | | | | | | **33,962** |
| **Result on the portfolio** | **-15,808** | **-535** | **-41,854** | **-246** | **-7,787** | | **0** | **-66,230** |
| **Total assets** | **405,666** | **18,159** | **793,133** | **108,166** | **230,656** | **0** | **64,536** | **1,620,316** |
| Investment property | 405,666 | 18,159 | 793,133 | 108,166 | 230,656 | 0 | | 1,555,780 |
| Other assets | | | | | | | 64,536 | 64,536 |
| **Total liabilities and equity** | | | | | | | **1,620,316** | **1,620,316** |
| Equity | | | | | | | 659,503 | 659,503 |
| Liabilities | | | | | | | 960,813 | 960,813 |

| 31/12/2019 | Belgium | | The Netherlands | | Iberia | | Non-allocated amounts | Total |
|---|---|---|---|---|---|---|---|---|
| Figures in thousands of EUR | Students | Other | Students | Other | Students | Other | | |
| **Net rental income** | **10,230** | **1,704** | **25,506** | **5,864** | **1,470** | **157** | | **44,932** |
| Property result | | | | | | | 577 | **45,509** |
| Property charges | | | | | | | -6,994 | -6,994 |
| Property operating result | | | | | | | | **38,516** |
| General expenses | | | | | | | -3,500 | -3,500 |
| Other operating income and costs | | | | | | | 54 | 54 |
| Operating result before result on the portfolio | | | | | | | | **35,070** |
| Result from the sale of investment property | | | | | | | | |
| Variations in the Fair Value of investment property | 5,460 | 35 | 12,932 | -445 | | | | 17,982 |
| Other portfolio result | -4,180 | | 437 | | -19,346 | | 1,084 | -22,005 |
| Operating result | | | | | | | | **31,045** |
| Financial result | | | | | | | -16,771 | -16,771 |
| Share in the result of associated companies and joint ventures | 204 | | | | -1,602 | | | -1,398 |
| Result before taxes | | | | | | | | 12,876 |
| Taxes | | | | | | | -5,218 | -5,218 |
| **Net result** | | | | | | | | **7,658** |
| **EPRA earnings** | | | | | | | | **24,103** |
| **Result on the portfolio** | **1,280** | **35** | **13,369** | **-445** | | | **1,084** | **15,323** |
| **Total assets** | **282,935** | **27,082** | **632,985** | **109,290** | **138,499** | | **85,738** | **1,276,529** |
| Investment property | 282,935 | 27,082 | 632,985 | 109,290 | 138,499 | | | 1,190,791 |
| Other assets | | | | | | | 85,738 | 85,738 |
| **Total liabilities and equity** | | | | | | | **1,276,528** | **1,276,529** |
| Equity | | | | | | | 625,808 | 625,808 |
| Liabilities | | | | | | | 650,720 | 650,720 |

## 10.8 ALTERNATIVE PERFORMANCE MEASURES (APMS)[4]

| APM terms | Definition | Use |
|---|---|---|
| EPRA earnings | The net result +/- variations in the Fair Value of the investment property +/- other portfolio result +/- result from the sale of investment property +/- variations in the Fair Value of financial assets and liabilities +/- deferred taxes with regard to IAS 40 adjustments. | Measuring the results of the strategic operational activities, excluding variations in the Fair Value of the investment property, other portfolio result, the earnings from the sale of investment property and variations in the Fair Value of financial assets and liabilities and the deferred taxes with regard to IAS 40. This indicates the extent to which dividend payments are covered by earnings. |
| Result on the portfolio | Result from the sale of investment property +/- variations in the fair value of investment property +/- other portfolio results. | Measuring the realised and unrealised gain/loss on investment property. |
| Average interest rate | Interest charges including IRS interest expense divided by the average outstanding debt during the period. | Measuring the average interest costs of the debts to enable a comparison with peers + analysis of evolution over time. |
| Average interest rate excl. IRS interest charges | Interest charges excluding IRS interest expense divided by the average outstanding debt during the period. | Measuring the average interest costs of the debts to enable a comparison with peers + analysis of evolution over time. |
| Average financing costs | Interest costs including IRS interest expense + arrangement fees and commitment fees, divided by the average outstanding debt during the period. | Measuring the average financing costs of the debt to enable a comparison with peers + analysis of evolution over time. |
| Average financing cost excl. IRS interest charges | Interest charges including IRS interest charges + arrangement fees and commitment fees, divided by the average outstanding debt during the period. | Measuring the average financing costs of the debt to enable a comparison with peers + analysis of evolution over time. |
| EPRA earnings per share | Net result +/- earnings from the sale of investment property +/- fluctuations in the fair value of the investment property +/- other portfolio result +/- fluctuations in the fair value of financial assets and liabilities +/- deferred taxes with regard to IAS 40 adjustments divided by the average number of shares. | Comparability with other RRECs and international property players. |
| EPRA NAV | This is the net asset value (NAV) that has been adjusted to also include property and other investments at their fair value and to exclude certain elements that are not expected to actually take shape in a business model with long-term investment property. | Comparability with other RRECs and international property players. |
| EPRA NNNAV | EPRA NAV adjusted to take into account (i) the Fair Value of the assets and liabilities, (ii) the Fair Value of debts and (iii) the deferred tax. | Comparability with other RRECs and international property players. |

[4] With the exception of EPRA Net Initial Yield, EPRA Rental Vacancy and EPRA Cost Ratio, the APMs were audited by the Statutory Auditor.

| APM terms | Definition | Use |
|---|---|---|
| EPRA Net Reinstatement Value (NRV) | Assumes that entities never sell property and aim to represent the value needed to rebuild the property. | Comparability with other RRECs and international property players. The EPRA NAV metrics make adjustments to the NAV per IFRS financial statements to provide stakeholders with the most relevant information on the fair value of a property company's assets and liabilities under various scenarios. |
| EPRA Net Tangible Asset (NTA) | Assumes that entities buy and sell assets, causing certain levels of unavoidable deferred tax to crystallise. | Comparability with other RRECs and international property players. The EPRA NAV metrics make adjustments to the NAV per IFRS financial statements to provide stakeholders with the most relevant information on the fair value of a property company's assets and liabilities under various scenarios. |
| EPRA Net Disposal Value (NDV) | Represents the shareholder value in a 'sell out scenario', in which deferred tax, financial instruments and certain other adjustments are calculated to the full extent, after deduction of the resulting tax. | Comparability with other RRECs and international property players. The EPRA NAV metrics make adjustments to the NAV per IFRS financial statements to provide stakeholders with the most relevant information on the fair value of a property company's assets and liabilities under various scenarios. |
| EPRA Net Initial Yield (NIY) | Annualised gross rental income based on the current rent on the closing date excluding the property charges divided by the portfolio market value plus the estimated transaction rights and costs in case of hypothetical disposal of investment property. | Comparability with other RRECs and international property players. |
| EPRA Adjusted Net Initial Yield (Adjusted NIY) | This measure integrates an adjustment of the EPRA NIY for the end of rent-free periods or other non-expired rental incentives. | Comparability with other RRECs and international property players. |
| EPRA rental vacancy | Estimated Rental Value of vacant units divided by the Estimated Rental Value of the total portfolio. | Comparability with other RRECs and international property players. |
| EPRA cost ratio (incl. vacancy costs) | EPRA costs (including vacancy costs) divided by the gross rental income less the rent still to be paid on rented land. | Comparability with other RRECs and international property players. |
| EPRA cost ratio (excl. vacancy costs) | EPRA costs (excluding vacancy costs) divided by the gross rental income, less the rent still to be paid on rented land. | Comparability with other RRECs and international property players |
| Financial result (excl. variations in the fair value of financial assets and liabilities) | Financial result corrected before variations in the fair value of financial assets and liabilities. | Comparability with other RRECs and international property players. |

Alternative Performance Measures (APMs): reconciliation tables

| EPRA earnings | 31/12/2020 | 31/12/2019 |
|---|---|---|
| Net result | -41,773 | 7,659 |
| Variations in the fair value of the investment property | 50,448 | -17,982 |
| Other portfolio result | 15,782 | 22,005 |
| Result from the sale of investment properties | | |
| Variations in the fair value of financial assets and liabilities | 8,837 | 9,150 |
| Share in the result of associated companies and joint ventures | 676 | 1,398 |
| Deferred taxes with regard to IAS 40 | -9 | 1,872 |
| **EPRA earnings** | **33,961** | **24,103** |
| **EPRA earnings – share of the group** | **33,298** | **23,975** |

| Result on the portfolio | 31/12/2020 | 31/12/2019 |
|---|---|---|
| (+/-) Result from the sale of investment property | | |
| (+/-) Result from the sale of other non-financial assets | | |
| (+/-) Variations in the Fair Value of investment property | -50,448 | 17,982 |
| *Positive variations in the fair value of the investment property* | 11,664 | 25,820 |
| *Negative variations in the fair value of the investment property* | -62,112 | -7,839 |
| (+/-) Other portfolio result | -15,782 | -22,005 |
| | | |
| **Result on the portfolio** | **-66,230** | **-4,024** |

| EPRA earnings per share | 31/12/2020 | 31/12/2019 |
|---|---|---|
| Net result | -41,773 | 7,659 |
| Variations in the fair value of the investment property | 50,448 | -17,982 |
| Other portfolio result | 15,782 | 22,005 |
| Result from the sale of investment properties | | |
| Variations in the fair value of financial assets and liabilities | 8,837 | 9,150 |
| Share in the result of associated companies and joint ventures | 676 | 1,398 |
| Deferred taxes with regard to IAS 40 | -9 | 1,872 |
| Weighted average number of shares | 19,560,351 | 14,996,135 |
| **EPRA earnings per share** | **1.74** | **1.61** |
| IFRIC 21 impact | 0 | 0 |
| **EPRA earnings per share after IFRIC 21 adjustment** | **1.74** | **1.61** |
| **EPRA earnings per share after IFRIC 21 adjustment – share of the group** | **1.70** | **1.60** |

| Average interest rate | 31/12/2020 | 31/12/2019 |
|---|---|---|
| Nominal interest paid on loans | 4,197 | 4,720 |
| Costs of permitted hedging instruments | 2,791 | 2,540 |
| Capitalised interest | 3,785 | 2,248 |
| Average outstanding debt for the period | 655,477 | 470,695 |
| **Average interest rate** | **1.64%** | **2.02%** |
| **Average interest rate excl. costs of permitted hedging instruments** | **1.22%** | **1.48%** |

| Average financing costs | 31/12/2020 | 31/12/2019 |
|---|---|---|
| Nominal interest paid on loans | 4,197 | 4,720 |
| Costs of permitted hedging instruments | 2,791 | 2,540 |
| Capitalised interest | 3,785 | 2,248 |
| Breakdown of the nominal amount of financial debt | 337 | 218 |
| Bank costs and other commissions | 1,009 | 404 |
| Average outstanding debt for the period | 655,477 | 470,695 |
| **Average financing costs** | **1.85%** | **2.15%** |
| **Average financing costs excl. costs of permitted hedging instruments** | **1.42%** | **1.61%** |

| EPRA Net Initial Yield | 31/12/2020 | 31/12/2019 |
|---|---|---|
| Investment property – full property Fair Value | 1,632,555 | 1,204,634 |
| Investment property – share in joint ventures | 20,873 | 29,148 |
| Minus property developments | -339,114 | -203,741 |
| Completed property portfolio | 1,314,314 | 1,030,041 |
| Transaction fees | 95,304 | 31,101 |
| Investment value of the property available for rent | 1,409,618 | 1,061,142 |
| Annualised gross rental income | 73,539 | 55,424 |
| Property charges | 5,702 | 4,488 |
| Annualised net rental income | 67,837 | 50,936 |
| Notional amount at the end of the rent-free period | | |
| Adjusted annualised net rental income | 67,837 | 50,936 |
| **EPRA Net Initial Yield** | **4.8%** | **4.8%** |
| **EPRA Adjusted Net Initial Yield** | **4.8%** | **4.8%** |

| EPRA Rental Vacancy | 31/12/2020 | 31/12/2019 |
|---|---|---|
| Estimated rental value of the vacant units | 2,458 | 1,648 |
| Estimated rental value of the entire portfolio | 72,406 | 55,424 |
| **EPRA Rental Vacancy** | **3.4%[5]** | **2.97%** |

[5] De ERV rental vacancy of 3,4% on 31 December 2020 is due to the ramp up of the completed properties in the last quarter of 2020.

| EPRA cost ratio | 31/12/2020 | 31/12/2019 |
|---|---|---|
| General expenses | 5,996 | 3,500 |
| Impairments of trade receivables | 539 | 125 |
| Property charges | 8,043 | 6,994 |
| EPRA costs (incl. vacancy costs) | 14,578 | 10,619 |
| Vacancy costs | 655 | 423 |
| EPRA costs (excl. vacancy costs) | 13,923 | 10,196 |
| Gross rental income | 58,434 | 45,056 |
| **EPRA cost ratio (incl. vacancy costs)** | **24.9%** | **23.6%** |
| **EPRA cost ratio (excl. vacancy costs)** | **23.8%** | **22.6%** |

| Financial result excl. variations in the fair value of financial assets and liabilities | 31/12/2020 | 31/12/2019 |
|---|---|---|
| Financial result | -16,449 | -16,771 |
| Variations in the fair value of financial assets and liabilities | -8,837 | -9,150 |
| **Financial result excl. variations in the fair value of financial assets and liabilities** | **-7,611** | **-7,621** |

| As at 31/12/2020 | EPRA NRV | EPRA NTA | EPRA NDV | EPRA NAW | EPRA NNNAW |
|---|---|---|---|---|---|
| IFRS equity attributable to shareholders excluding non-controlling interests | 641,194 | 641,194 | 641,194 | 641,194 | 641,194 |
| Non-controlling interests | XXXXXXXXXXX | XXXXXXXXXXX | XXXXXXXXXXX | 18,309 | 18,309 |
| | | | | | |
| **EXCLUDE** | | | | | |
| Deferred taxes related to FV earnings on IP | 47,815 | 47,815 | XXXXXXXXXXX | 47,815 | XXXXXXXXXXX |
| FV of the financial assets | 26,530 | 26,530 | XXXXXXXXXXX | 26,530 | XXXXXXXXXXX |
| Intangibles as per the IFRS BS | XXXXXXXXXXX | 145 | XXXXXXXXXXX | XXXXXXXXXXX | XXXXXXXXXXX |
| | | | | | |
| **INCLUDE** | | | | | |
| FV of fixed-interest rate debt | XXXXXXXXXXX | XXXXXXXXXXX | -7,027 | XXXXXXXXXXX | XXXXXXXXXXX |
| Real estate transfer tax | 95,508 | N/A | XXXXXXXXXXX | XXXXXXXXXXX | XXXXXXXXXXX |
| | | | | | |
| **NAV** | **811,047** | **715,394** | **648,221** | **733,848** | **659,503** |
| Fully diluted number of shares | 21,046,441 | 21,046,441 | 21,046,441 | 21,046,441 | 21,046,441 |
| **NAV per share** | **38.54** | **33.99** | **30.80** | **34.87** | **31.34** |
| **NAV per share - group share** | **38.54** | **33.99** | **30.80** | **34.00** | **30.47** |

| | Fair value | % compared to total portfolio | % excl. deferred taxes |
|---|---|---|---|
| Portfolio subject to deferred taxes and intended to be held and not sold in the long term. | 1,555,779 | 100 | 100 |
| Portfolio subject to partial deferred tax and tax structuring | 0 | 0 | 0 |

| As at 31/12/2019 | EPRA NRV | EPRA NTA | EPRA NDV | EPRA NAW | EPRA NNNAW |
|---|---|---|---|---|---|
| IFRS equity attributable to shareholders excluding non-controlling interests | 610,428 | 610,428 | 610,428 | 610,428 | 610,428 |
| Non-controlling interests | XXXXXXXXXXX | XXXXXXXXXXX | XXXXXXXXXXX | 15,380 | 15,380 |
| | | | | | |
| **EXCLUDE** | | | | | |
| Deferred taxes related to FV earnings on IP | 46,813 | 46,813 | XXXXXXXXXXX | 46,813 | XXXXXXXXXXX |
| FV of the financial assets | 15,467 | 15,467 | XXXXXXXXXXX | 15,467 | XXXXXXXXXXX |
| Intangibles as per the IFRS BS | XXXXXXXXXXX | 52 | XXXXXXXXXXX | XXXXXXXXXXX | XXXXXXXXXXX |
| | | | | | |
| **INCLUDE** | | | | | |
| FV of fixed-interest rate debt | XXXXXXXXXXX | XXXXXXXXXXX | 396 | XXXXXXXXXXX | XXXXXXXXXXX |
| Real estate transfer tax | 44,337 | N/A | XXXXXXXXXXX | XXXXXXXXXXX | XXXXXXXXXXX |
| | | | | | |
| **NAV** | **717,045** | **672,656** | **610,032** | **688,088** | **625,808** |
| Fully diluted number of shares | 19,133,129 | 19,133,129 | 19,133,129 | 19,133,129 | 19,133,129 |
| **NAV per share** | **37.48** | **35.16** | **31.88** | **35.96** | **32.71** |
| **NAV per share – group share** | **37.48** | **35.16** | **31.88** | **35.16** | **31.90** |

| | Fair value | % compared to total portfolio | % excl. deferred taxes |
|---|---|---|---|
| Portfolio subject to deferred taxes and intended to be held and not sold in the long term. | 1,190,791 | 100 | 100 |
| Portfolio subject to partial deferred tax and tax structuring | 0 | 0 | 0 |

## 10.9 OTHER NOTES

Due to the rounding off to thousands, rounding differences may arise between the balance sheet, income statement and enclosed details.

### 10.9.1 PROPERTY RESULT

| | Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|---|
| (+) | Rental income | 58,434 | 45,056 |
| | *Rent* | 56,805 | 41,347 |
| | *Rental guarantees* | 2,296 | 3,979 |
| | *Rent reductions* | -666 | -270 |
| (+) | Writeback of carried over and discounted rental income | | |
| (+/-) | Rent-related expenses | -539 | -125 |
| | **Net rental income** | **57,896** | **44,932** |
| (+) | Recovery of property charges | | |
| (+) | Recovery of rental charges and taxes normally payable by the tenants for let properties | 10,914 | 8,193 |
| (-) | Costs payable by tenants and borne by the landlord for rental damage and refurbishment at the end of the tenancy | | |
| (-) | Rental charges and taxes normally payable by the tenants for let properties | -12,781 | -9,012 |
| (+/-) | Other rent-related income and expenditure | 2,429 | 1,396 |
| | **Property result** | **58,457** | **45,508** |

Rent-related expenses contain impairments on rent receivables.

The guaranteed income on 31 December 2020 includes the rental guarantees given by the sellers upon acquisition in 2019 or 2020. Those rental guarantees have a term of 1 to 2 years and cover the vacant units.

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Summary of rental income to potentially expire in the future** | | |
| Within one year | 49,788 | 33,680 |
| Between one and five years | 2,194 | 2,615 |
| More than five years | 4,823 | 5,052 |
| **Total** | **56,805** | **41,347** |

The above table shows how much of the rental income that was earned between 1 January 2020 and 31 December 2020 could theoretically expire in future if the current tenants give notice of termination on the next contractually permitted date and no new tenant is found.

Most of Xior Student Housing NV's tenancy agreements are short-term contracts for the letting of student units. These contracts are typically concluded for a one-year period, after which they may be extended. Xior also tries to conclude long-term contracts with colleges or universities for some of the rooms in its portfolio. Please find below a list of Xior's main rental and guarantee contracts with universities or colleges.

| Institution | City | End date |
|---|---|---|
| **RENTAL CONTRACT** | | |
| Saxion Hogescholen | Enschede | 31/07/2026 |
| Saxion Hogescholen | Enschede | 31/08/2027 |
| Saxion Hogescholen | Enschede | 28/02/2029 |
| Saxion Hogescholen | Enschede | 30/04/2021 |
| Saxion Hogescholen | Enschede | 31/08/2027 |
| Universiteit Maastricht | Maastricht | |
| Universiteit Maastricht | Maastricht | 2021/2031 |
| Stichting Studenten Huisvesting (SSH) | Maastricht | 2037 |
| Veste Foundation | Maastricht | 31/07/2029 |
| Foundation for Regional Training Centres of Twente | Enschede | 31/03/2030 |
| Foundation for Regional Training Centres of Twente | Enschede | 31/07/2030 |
| Saxion Hogescholen | Enschede | 30/04/2029 |
| Hogeschool Gent | Ghent | 1/09/2041 |
| Amro Estudiantes | Granada | 17/06/2022 |
| **GUARANTEE CONTRACT** | **City** | **End date** |
| Vrije Universiteit (VU) | Amsterdam | 31/08/2021 |
| Hogeschool Zuyd | Maastricht | 31/07/2021 |
| Hogeschool Zuyd | Maastricht | 31/07/2021 |
| Rotterdam School of Management (RSM) | Rotterdam | 31/12/2021 |
| Hogeschool Utrecht | Utrecht | 31/03/2023 |
| Navitas | Enschede | 31/05/2024 |

A number of the contracts have been in place for several years and are renewed each year.

Together, these rental or guarantee contracts cover 10.83% of Xior's annualised long-term rental income. There are also partnerships with universities and colleges. These are rather 'soft commitments'. They represent 7.1% of the annual rental income.

Xior Student Housing NV also has several other types of tenancy agreements that are long-term. These are mainly the tenancy agreements for the commercial properties, which typically have terms that exceed 1 year. The term of these contracts generally varies from 3 to 10 years. In the course of 2017, Xior acquired a number of office properties to be converted. A number of these properties will be temporarily rented out as offices pending their redevelopment into student accommodation. The term of these contracts varies from 1 to 5 years.

Rents are paid monthly and in advance. Certain property-related costs, such as running costs, taxes and levies and the communal costs are also charged to the tenant. Tenants pay a fixed monthly advance payment for this purpose with an annual settlement, or a fixed annual amount is charged to cover these costs. In order to guarantee tenants to comply with their obligations, a rental guarantee of at least 1 month's rent, and in most cases 2 months' rent, is charged. This is paid mostly in cash and reflected on the balance sheet under other short-term liabilities.

## 10.9.2 PROPERTY CHARGES

| | Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|---|
| (-) | **Technical costs** | **-2,409** | **-1,538** |
| | Recurring technical costs | -2,429 | -1,621 |
| | *Maintenance* | -1,970 | -1,282 |
| | *Insurance premiums* | -459 | -339 |
| | Non-recurring technical costs | 20 | 83 |
| | *Damages* | 20 | 83 |
| (-) | **Commercial costs** | **-398** | **-390** |
| | *Lawyers' fees and legal costs* | -79 | -56 |
| | *Advertising* | -320 | -334 |
| (-) | **Costs and taxes for non-let properties** | **-655** | **-423** |
| (-) | **Property management costs** | **-2,556** | **-2,946** |
| | *External management costs* | 0 | -768 |
| | *Internal management costs* | -2,556 | -2,178 |
| (-) | **Other property charges** | **-2,025** | **-1,697** |
| | *Valuation expert fees* | -589 | -312 |
| | *Architects' fees* | 0 | -4 |
| | *Immovable property tax and other taxes* | -1,436 | -1,381 |
| | **Property charges** | **-8,043** | **-6,994** |

The increase in property charges from 31/12/2019 to 31/12/2020 is the result of the property portfolio's further expansion. 8 properties were added to the property portfolio in 2019. This has an impact on the property charges. In 2020, 14 properties were again added to the property portfolio.

## 10.9.3 GENERAL EXPENSES

| | Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|---|
| (-) | General company expenses | -5,996 | -3,500 |
| | - Lawyers' fees, notarial charges and legal costs | -230 | -90 |
| | - Audit | -108 | -81 |
| | - Technical Audit | -89 | 0 |
| | - Tax and financial advice | -373 | -284 |
| | - Directors and executive management | -757 | -610 |
| | - Staffing costs | -2,220 | -1,147 |
| | - Housing costs | -157 | -88 |
| | - Office costs and IT costs | -276 | -252 |
| | - Advertising, communication and annual report | -343 | -125 |
| | - Taxes and statutory expenses | -706 | -515 |
| | - Business development | -256 | 0 |
| | - Insurance | -46 | -45 |
| | - Other general expenses | -435 | -263 |
| | **General company expenses** | **-5,996** | **-3,500** |

The general expenses of the Company cover the fixed operating expenses of the undertaking that operates as a legally listed entity and enjoys RREC status. These costs are incurred to provide transparent financial information. The increase in general costs is mainly due to a rise of personnel costs, consultancy costs and taxes and legal costs, which mainly include the so-called equity-based subscription tax.

## 10.9.4 OTHER OPERATING INCOME AND COSTS

| Figures in thousands of EUR | | 31/12/2020 | 31/12/2019 |
|---|---|---|---|
| (+)/(-) | **Other operating result and costs** | **53** | **54** |
| | *Management for third parties* | 53 | 54 |
| | **Other operating income and costs** | **53** | **54** |

Pursuant to Article 6 of the Law on Regulated Real Estate Companies, Stubis, a wholly owned subsidiary of Xior Student Housing NV, provides limited real estate services to third parties. The returns from this are accounted for as other operational income and costs. The result before taxes for these services to third parties in 2020 represents a non-significant percentage of the consolidated result before taxes.

The assets managed for third parties represent approximately 1.5% (and therefore less than 10%) of the consolidated assets of Xior Student Housing NV.

## 10.9.5 RESULT ON THE PORTFOLIO

| Figures in thousands of EUR | | 31/12/2020 | 31/12/2019 |
|---|---|---|---|
| (+/-) | Result from the sale of investment property | | |
| (+/-) | Result from the sale of other non-financial assets | | |
| (+/-) | Variations in the Fair Value of investment property | -50,448 | 17,981 |
| | *Positive variations in the fair value of the investment property* | 11,664 | 25,820 |
| | *Negative variations in the fair value of the investment property* | -62,112 | -7,839 |
| (+/-) | Other portfolio result | -15,782 | -22,005 |
| | **Result on the portfolio** | **-66,230** | **-4,023** |

New properties were acquired in the first half of 2020 through share acquisitions.

The property was acquired at a fiduciary value (the acquisition value agreed between the parties) which was in line with (but not necessarily equal to) the Fair Value as assessed by the surveyors.

- The difference between the Fair Value of properties acquired and the fiduciary value of such property is processed as "*'variations in the Fair Value of investment properties*" on the income statement.
- The difference between the carrying amount of properties acquired through share acquisitions and the fiduciary value of such properties as well as other sources of differences between the Fair Value and fiduciary value of the shares are processed as *"other portfolio result"* on the income statement. This *"other portfolio result"* concerns amounts resulting from application of the consolidation principles and merger transactions, and consists of the differences between the price paid for real estate companies and the Fair Value of the acquired net assets. This *"other portfolio result"* also covers directly attributable transaction fees.
- The change in Fair Value between 1 January 2020 and 31 December 2020 was booked under *"negative or positive investment property changes"*.

The negative change in the valuation of the investment property can mainly be explained by a change (increase) in the rate of Dutch transfer tax. As a result of this change, the Fair Value of the Dutch portfolio declined on 31 December 2020 (MEUR -42.6). In addition, there is the impact of the devaluation of a commercial property for which the contract was terminated (MEUR -9.3) and the impact of a revaluation of the Fair Value of property in Spain and Portugal (MEUR -7). The positive changes in the valuation of investment property can mainly be explained by the difference between the fiduciary value and the Fair Value of the newly acquired property upon acquisition.





## 10.9.6 FINANCIAL RESULT

| Figures in thousands of EUR | | 31/12/2020 | 31/12/2019 |
|---|---|---|---|
| (+) | **Financial income** | **722** | **261** |
| (-) | **Net interest expense** | **-7,325** | **-7,478** |
| | *Nominal interest paid on loans* | -4,197 | -4,720 |
| | *Breakdown of the nominal amount of financial debt* | -337 | -218 |
| | *Costs of permitted hedging instruments* | -2,791 | -2,540 |
| (-) | **Other financial costs** | **-1,008** | **-404** |
| | *Bank costs and other commissions* | -869 | -378 |
| | *Other* | -139 | -26 |
| (+/-) | **Variations in the Fair Value of financial assets and liabilities** | **-8,837** | **-9,150** |
| | *Market value of interest rate swaps* | -8,837 | -9,150 |
| | *Other* | 0 | 0 |
| | **Financial result** | **-16,449** | **-16,771** |

The average interest rate[6] was 1.64% (1.22% without hedging instruments) as at 31 December 2020, as compared to 2.02% as at 31 December 2019. The average financing cost was 1.85% as at 31 December 2020 as compared to 2.15% as at 31 December 2019.

The Company is subject to fluctuations in interest rates, because most long-term liabilities were entered into on the basis of variable interest rates. An increase in the interest rate can therefore cause an increase in the interest charges. However, the company has concluded the necessary IRS - contracts over the years. As at 31 December 2020, 77% of the withdrawn credit was hedged with IRS contracts or taken out at a fixed interest rate. (See also ***Chapter 5.3.2 of this Annual Report***).

The derivatives used by Xior Student Housing NV do not qualify as hedging transactions. As a result, the changes in Fair Value are included in the income statement immediately.

[6] For the calculation of the APMs, please refer to ***Chapter 10.8 of this Annual Report.***

## 10.9.7 CORPORATION TAX

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| Parent company | | |
| 25% corporate tax | -6 | -22 |
| Subsidiaries | | |
| Belgian tax, due and deductible | 0 | -35 |
| Foreign tax, due and deductible | -2,892 | -3,289 |
| Foreign deferred taxes | -14 | -1,748 |
| Belgian deferred taxes | | |
| **Total** | **-2,912** | **-5,094** |
| Exit tax | 23 | -124 |
| **Total** | **-2,889** | **-5,218** |

In Belgium, an RREC is only subject to corporation tax as regards disallowed expenses and extraordinary and gratuitous advantages. Deferred taxes (exit taxes) for subsidiaries are recorded as the difference between the carrying amount after depreciation in the annual financial statements of these subsidiaries and the Fair Value. These are recorded at a rate of 15%, as it is the intention to merge these subsidiaries with the public RREC.

The Company also has a number of buildings that are located in the Netherlands. Some of these properties are part of a Dutch permanent establishment. Other Dutch properties are held by a wholly-owned subsidiary of Xior Student Housing. The tax on profits due by the Dutch permanent establishment and by the Dutch subsidiaries is estimated at 25% of the taxable result of the permanent establishment and subsidiaries.

The Company also has some properties in Spain and Portugal. The profit tax is estimated at 25% or 21% of the taxable base of the Spanish and Portuguese subsidiaries respectively.

Besides the tax on profits, a deferred tax liability is attributed to the latent capital gain of properties. This latent gain is calculated as the difference between the fiduciary value and the Fair Value. This deferred tax liability will be adjusted if the Fair Value or carrying amount of the property changes as a result of fluctuations in value or tax depreciation, for example. The applied percentage is evaluated annually by taking into account the projected gross margin on the real estate income in the Netherlands for the coming years. For Spain and Portugal, this amounts to 25% and 21% respectively.

As a result of the application of IFRS 3 Revised and linked to the '*initial recognition exemption*' under IAS 12 §15b, for 2020 no deferred tax was recognised on the difference between the carrying amount at acquisition and the fiduciary value.

This tax may be due on the disposal of the property via an 'asset transaction'.

This gives rise to a *'contingent liability'*. This amounts to KEUR 14,445 on 31 December 2020.

Please also refer to *Chapter 10.9.22 of this Annual Report.*

## 10.9.8 INVESTMENT PROPERTY

Figures in thousands of EUR

| Investment table | Investment property in operation | Property developments | Total |
|---|---|---|---|
| **Balance on 31/12/2018** | **735,927** | **78,981** | **814,908** |
| Acquisition through purchase or contributions of real estate companies | 283,444 | 30,028 | 313,472 |
| Further CAPEX investments | 5,159 | 25,303 | 30,462 |
| Purchase and contribution of investment property | 11,719 | 0 | 11,719 |
| Sale of investment property | | | |
| Capitalised interest charges | 689 | 1,559 | 2,248 |
| Change in the Fair Value | 24,863 | -6,881 | 17,982 |
| Transfer from/to | 49,884 | -49,884 | 0 |
| **Balance on 31/12/2019** | **1,111,685** | **79,106** | **1,190,791** |
| Acquisition through purchase or contributions of real estate companies | 287,157 | 59,173 | 336,185 |
| Further CAPEX investments | 23,691 | 51,776 | 75,467 |
| Purchase and contribution of investment property | | | |
| Sale of investment property | | | |
| Capitalised interest charges | 1,947 | 1,838 | 3,785 |
| Change in the Fair Value | -44,446 | -6,002 | -50,448 |
| Transfer from/to | 40,893 | -40,893 | 0 |
| **Balance on 31/12/2020** | **1,410,782** | **144,998** | **1,555,780** |

Capitalised interest charges with regard to properties that are the object of property developments were capitalised at an interest rate of 2% during 2020.

Further investment in CAPEX is related to the investments made in connection of new purchases, own property development and investments in the existing portfolio. For a detailed description of all achievements of 2020, please refer to *Chapter 10.9.30 of the Annual Report*.

## IFRS 13 NOTE

**Valuation of investment property**

Investment property is included at their Fair Value in accordance with IAS 40. The Fair Value is measured based on unobservable inputs, so the assets within the investment property belong to level 3 of the fair value hierarchy as determined by the IFRS. There were no shifts within the fair value hierarchy in 2020.

Investment property is recognised in the accounts on the basis of appraisal reports that are drawn up by independent and expert property appraisers.

The valuation of the property portfolio was drawn up by Stadim (Belgium and some of the Netherlands), Cushman & Wakefield (Netherlands and Portugal) and CBRE (Spain).

The independent valuation experts perform an external appraisal of the property portfolio each quarter.

C&W Portugal and CBRE state in their valuation report of 31 December 2020 that Covid-19 has caused material valuation uncertainty. This was included by the valuation expert to be transparent about the market dynamics, but does not mean that the valuation is uncertain.

For a further explanation of the valuation methods, please refer to *Chapter 8.2.4.1 of this Annual Report*.

The fair value is determined on the basis of one of the following levels of the IFRS 13 hierarchy:

- Level 1: valuation based on listed market prices in active markets
- Level 2: valuation based on directly or indirectly (externally) observable data
- Level 3: valuation based fully or partially on non (externally) observable data

The property portfolio is assessed at the fair value. The fair value is measured based on unobservable inputs, so the assets within the investment property belong to level 3 of the fair value hierarchy as determined by the IFRS.

**Unobservable inputs in the measurement of the fair value.**[7]

| 31/12/2020<br>Asset types | Fair value on 31/12/2020 | Assessment method | Country | Unobservable data | Min | Max | Weighted average |
|---|---|---|---|---|---|---|---|
| **Student flats** | 431,047 | DCF | Belgium | | | | |
| | | | | Rent per student room | 235 | 910 | 443 |
| | | | | Discount rate | 3.38% | 7.00% | 4.61% |
| | | | | Vacancy | 2.82% | 5.74% | 2.99% |
| | | | | Inflation | 1.25% | 1.25% | 1.25% |
| | | | | **Number of units** | **3,856** | | |
| **Student flats** | 951,159 | DCF | The Netherlands | | | | |
| | | | | Rent per student room | 250 | 1,165 | 514 |
| | | | | Discount rate | 4.92% | 7.22% | 5.48% |
| | | | | Vacancy | 0.00% | 4.10% | 2.77% |
| | | | | Inflation | 1.25% | 1.25% | 1.25% |
| | | | | **Number of units** | **7,168** | | |
| **Other** | 9,616 | DCF | Belgium | Gross rental income/m² | 144 | 330 | 208 |
| | | | | Discount rate | 2.60% | 6.05% | 4.56% |
| | | | | Vacancy | 2.96% | 8.02% | 4.81% |
| | | | | Inflation | 1.25% | 1.25% | 1.25% |
| | | | | **Square metres** | **5,958** | | |
| **Other** | 5,935 | DCF | The Netherlands | Gross rental income/m² | 77.50 | 180 | 136 |
| | | | | Discount rate | 5.25% | 8.00% | 6.91% |
| | | | | Vacancy | 1.83% | 6.13% | 2.55% |
| | | | | Inflation | 1.25% | 1.25% | 1.25% |
| | | | | **Square metres** | **4,123** | | |
| **Student flats** | 172,821 | DCF | Spain | Rent per unit | 759 | 1,395 | 1,175 |
| | | | | Discount rate | 7.14% | 7.89% | 7.47% |
| | | | | Occupancy in academic year | 97% | 70% | 90% |
| | | | | Occupancy in summer | 15% | 65% | 41% |
| | | | | Inflation | 1.18% | 1.18% | 1.18% |
| | | | | **Number of units** | **1,144** | | |
| **Student flats** | 58,784 | DCF | Portugal | Rent per unit | 450 | 559 | 512 |
| | | | | Discount rate | 7.25% | 8.25% | 7.75% |
| | | | | Occupancy in academic year | 70% | 90% | 80% |
| | | | | Occupancy in summer | 30% | 40% | 38% |
| | | | | Inflation | 1.75% | 1.75% | 1.75% |
| | | | | **Number of units** | **1,107** | | |
| **Total** | **1,629,362** | | | | | | |

[7] The Fair Value is that determined by the Valuation Expert and deviates from the value recorded on the balance sheet as at 31 December 2020 since a cost to come has still been deducted for a number of properties in development for inclusion in the balance sheet as at 31 December 2020.

| 31/12/2019 Asset types | Fair value on 31/12/2019 | Assessment method | Country | Unobservable data | Min | Max | Weighted average |
|---|---|---|---|---|---|---|---|
| **Student flats** | 292,323 | DCF | Belgium | | | | |
| | | | | Rent per student room | 200 | 990 | 474 |
| | | | | Discount rate | 4.10% | 4.90% | 4.47% |
| | | | | Vacancy | 2.86% | 3.76% | 2.94% |
| | | | | Inflation | 1.25% | 1.25% | 1.25% |
| | | | | **Number of units** | **2,589** | | |
| **Student flats** | 747,362 | DCF | The Netherlands | | | | |
| | | | | Rent per student room | 250 | 989 | |
| | | | | Discount rate | 4.18% | 7.27% | 5.68% |
| | | | | Vacancy | 0% | 6.05% | 2.73 |
| | | | | Inflation | 1.25% | 2.02% | 1.61% |
| | | | | **Number of units** | **4,844** | | |
| **Other** | 20,156 | DCF | Belgium | Gross rental income/m² | 145 | 330 | 215 |
| | | | | Discount rate | 3.50% | 6.07% | 4.35% |
| | | | | Vacancy | 2.96% | 8% | 4.09% |
| | | | | Inflation | 1.25% | 1.25% | 1.25% |
| | | | | **Square metres** | **5,958** | | |
| **Other** | 6,295 | DCF | The Netherlands | Gross rental income/m² | 78 | 200 | 109 |
| | | | | Discount rate | 5.95% | 8.50% | 6.30% |
| | | | | Vacancy | 0% | 6.13% | 4.01% |
| | | | | Inflation | 1.25% | 1.98% | 1.49% |
| | | | | **Square metres** | **4,123** | | |
| **Student flats** | 138,499 | DCF | Spain | Rent per unit | 925 | 1,407 | 1,250 |
| | | | | Discount rate | 7.25% | 8.30% | 7.61% |
| | | | | Occupancy in academic year | 92% | 97% | 95% |
| | | | | Occupancy in summer | 25% | 65% | 39% |
| | | | | Inflation | 2% | 2% | 2% |
| | | | | **Number of units** | **933** | | |
| **Student flats** | 79,289 | DCF | Portugal | Rent per unit | 434 | 775 | 546 |
| | | | | Discount rate | 7.25% | 8.25% | 7.97% |
| | | | | Occupancy in academic year | 95% | 95% | 95% |
| | | | | Occupancy in summer | 40% | 50% | 46% |
| | | | | Inflation | 1.75% | 1.75% | 1.75% |
| | | | | **Number of units** | **1,229** | | |
| **Total** | **1,283,924** | | | | | | |

**Belgium and the Netherlands**

There is a significant gap between the minimum and maximum rents for student rooms. This is because the rent for the different rooms depends on the room type. Xior offers four room types (basic, basic+, comfort and premium). Each type offers a different form of comfort, so the price depends on various factors (size of the room, en-suite or not, with or without own kitchenette, location in the building and so on).For more information on the average room price and influencing factors, please refer to *Chapter 8.2.2.4 of this Annual Report*.

For the determination of the DCF, the valuation expert takes into account a gross rental value one the one hand, and a number of costs associated with the property, on the other hand. The costs taken into account are: fire insurance, property taxes, maintenance costs and management costs of the property. Some vacancies are also taken into account (see also table above). For actual vacancies as at 31 December 2020, we refer to the property table included in *Chapter 8 of the Annual Financial Report*.

The valuation expert also takes into account the end value of the property. On average, this end value amounts to 50% of the Fair Value. This is due to the fact that Xior's properties are in good locations, so that the land value included in the Fair Value of the property involves a high end value.

In the valuation, the valuation expert also allows for the ageing of the buildings. To this end, an annual rate of depreciation is applied to the value of the building when calculating the Fair Value. This corresponds to approximately 2% per annum on the value of the building. The valuation expert assumes that thorough renovation will be required after a period of time in order to ensure that rental streams are maintained. Costs for this are provided in the DCF - model. After a thorough renovation, a building's useful life rises again. Most properties in the portfolio have a useful life of 27 years. The properties in the portfolio are fairly recent and a number of properties were thoroughly renovated each year in order to maintain the rental flows and Xior quality standard.

**Spain and Portugal**

The minimum and maximum rental prices per student room are much higher than for Belgium and the Netherlands. This is because in Spain more services are included in the rental prices, such as linen, room cleaning and, in some cases, *half or full board*. The units in Spain all have their own sanitary facilities, so there are only two types of rooms: comfort and premium. For more information on the average room price and influencing factors, please refer to *Chapter 8.2.2.4 of this Annual Report*.

For the determination of the DCF, the valuation experts take into account a gross rental value one, on the one hand, and a number of costs associated with the property, on the other hand in order to arrive at a net rental value. The EBITDA margin is a crucial factor in determining the valuation. They also take into account a certain occupancy and make a distinction between occupancy during the academic year (September to June) and occupancy during the summer months (July and August) (see also the table above). For actual vacancies as at 31 December 2020, we refer to the property table included in *Chapter 8 of the Annual Financial Report*.

Projects under development are valued in the same way. The valuation expert determines the Fair Value upon completion and deducts the upcoming construction costs.

The sensitivity of the Fair Value to a change in the aforementioned non-observable data is generally presented as follows (if all parameters remain unchanged):

| Unobservable data | Effect on the fair value: In case the value of the non-perceptible data falls | Effect on the fair value: In case the value of the non-perceptible data rises |
|---|---|---|
| **Rent per student room** | Negative | Positive |
| **Discount rate** | Positive | Negative |
| **Gross rental income/m²** | Negative | Positive |
| **Vacancy** | Positive | Negative |

These unobservable data may also be interconnected as they are partly determined by the market conditions.

If the discount rate or rents were to rise or fall, the impact on the Fair Value would be as follows:

| Impact on the Fair Value | in KEUR |
|---|---|
| **Rent +10%** | 150,207 |
| **Rent +5%** | 51,694 |
| **Rent -5%** | -139,861 |
| **Rent -10%** | -226,891 |
| **Discount rate +0.5%** | -181,022 |
| **Discount rate +0.3%** | -129,827 |
| **Discount rate +0.1%** | -75,117 |
| **Discount rate -0.1%** | -15,427 |
| **Discount rate -0.3%** | 49,327 |
| **Discount rate -0.5%** | 121,062 |

**Valuation process for investment property**

Investment property is included in the financial statements on the basis of appraisal reports that are drawn up by the independent valuation experts. These reports are based on information provided by the Company and on the assumptions and valuation models adopted by the valuation expert.

Information provided by the Company includes current tenancy agreements, periods and conditions, along with renovation carried out on investments for Property developments.

The assumptions and valuation models applied by the valuation experts mainly relate to the market situation, such as returns and discount rates. They are based on their professional assessment and knowledge of the market.

For a detailed description of the method of valuation applied by the valuation experts, please refer to *Chapter 8.2.4 of this Annual Report* ("*Appraisal of the property portfolio by the Valuation Experts*").

The information provided by the valuation experts, the assumptions and the valuation models are reviewed internally. This includes reviewing variations in the Fair Value during the period in question.

## 10.9.9 OTHER TANGIBLE FIXED ASSETS

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Tangible fixed assets** | Other tangible fixed assets | Other tangible fixed assets |
| **Acquisition value** | | |
| Balance at the start of the financial year | 1,222 | 908 |
| Acquisitions | 477 | 314 |
| **At the financial year-end** | **1,698** | **1,222** |
| | | |
| **Depreciation** | | |
| Balance at the start of the financial year | -371 | -210 |
| Depreciation | -355 | -161 |
| **At the financial year-end** | **-727** | **-371** |
| **Net carrying value** | **971** | **850** |

## 10.9.10 FINANCIAL FIXED ASSETS

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Financial fixed assets** | | |
| Financial derivatives (IRS) | | |
| Other | 4,166 | 25 |
| **Total** | **4,166** | **25** |

This amount includes an option on a property company to be acquired (KEUR 4,000) and guarantees paid (KEUR 166).

## 10.9.11 TRADE RECEIVABLES AND OTHER FIXED ASSETS

The long-term receivables (KEUR 135) relate to a reduction in rental property tax in the Netherlands[8], which can be deducted from future property tax expenses.

[8] This rental property tax is in force in the Netherlands, where landlords owning more than 50 rental properties have to pay a tax on the property tax value of rented accommodation. This applies to rental properties for which the rent does not exceed EUR 752.33 per month (2020 price level). The rental property tax rate for 2020 is 0.562%. If the applicable conditions are met, this tax can be reduced in case of investments.

## 10.9.12 PARTICIPATING INTERESTS IN JOINT VENTURES – EQUITY METHOD

As of 31 December 2020, Xior has a 50% participation in the Promgranjo joint venture and a 50% participation in the Invest Drève Saint Pierre joint venture. These joint ventures are included in Xior's consolidated financial statements applying the equity method.

The table below provides an overview of the assets and liabilities of Promgranjo on 31 December 2019 (date of entry).

| Promgranjo | |
|---|---|
| Summary of assets and liabilities (100%) | |
| Investment property | 3,788 |
| Other assets | 303 |
| Cash and cash equivalents | 210 |
| Equity | 244 |
| Deferred taxes | |
| Non-current debts | 3,929 |
| Other debt | 127 |
| Adjusted equity (100%) | 122 |
| Paid share price (50%) | 43 |

Xior will acquire the remaining 50% of the shares once the project is completed. The estimated purchase price of the remaining 50% was already included in the annual accounts as at 31 December 2020.

XSHPT Portugal, subholding in Portugal, has granted a shareholder loan to the Promgranjo joint venture. On 31 December 2020, the outstanding receivables were KEUR 5,721. The receivable is interest bearing at 2.5% per year.

The table below provides an overview of the assets and liabilities of Invest Drève Saint Pierre on 31 December 2020.

| Invest Drève Saint Pierre | 100% after completion (estimate) | 50% during initial purchase |
|---|---|---|
| Investment property | 20,648 | 10,350 |
| Other assets | 2 | 2 |
| Cash and cash equivalents | 257 | 257 |
| Equity | 59 | 59 |
| Deferred taxes | | |
| Non-current debts | 20,298 | 10,000 |
| Other debt | 550 | 550 |
| Adjusted equity (100%) | 59 | 30 |
| Paid share price | 385 | 31 |

Xior will acquire the remaining 50% of the shares once the project is completed. The estimated purchase price of the remaining 50% was already included in the annual accounts as at 31 December 2020.

Xior has granted a shareholder loan to the Invest Drève Saint-Pierre joint venture. On 31 December 2020, the outstanding receivables were KEUR 10,017. The receivable is interest bearing at 2% per year.

## 10.9.13 TRADE RECEIVABLES

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Trade receivables** | | |
| Trade receivables | 5,349 | 1,340 |
| Advance payments | 0 | 78 |
| Invoices to issue | 263 | 32 |
| Income to be collected | 0 | 86 |
| Recorded impairments | -725 | -372 |
| **Total** | **4,887** | **1,163** |

Trade receivables still to be collected (KEUR 5,349) include rent still to be received. Among other things, this includes the receivable from a commercial tenant, with whom a repayment plan has been agreed. This lease also includes an office tenant who has received a postponement of payment until the end of Q1 2021.

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Impairments on doubtful debts – movement table** | | |
| At the end of the previous financial year | 371 | 333 |
| From acquired companies | 0 | 23 |
| Additions | 465 | 119 |
| Reversals | -68 | -41 |
| Written off as no longer collectable | -21 | -63 |
| **At the financial year-end** | **725** | **371** |

Provisions for doubtful debts are generally made on an individual basis, when needed. There is a risk that a loss will be suffered on a receivable. This risk is limited because a rental guarantee of at least 1 month's rent, and in most cases 2 months' rent, is requested at the start of the tenancy agreement.

The provision for doubtful debts is set up as follows: the list of rent arrears is monitored internally. Based on an assessment by the management or when there are clear indications that the receivables can no longer be collected, a provision is established. A provision of KEUR 725 was established on 31 December 2020. This amount includes a transferred provision of KEUR 276. This provision was set up for an acquired subsidiary. The risk of losing this receivable is therefore included in the purchase price and is borne by the seller.

**Receivables ageing summary**

| Figures in thousands of EUR<br>Ageing of outstanding customers | 31/12/2020 | 31/12/2019 |
|---|---|---|
| not due | 96 | 2 |
| 1-30 days | 2,616 | -222 |
| 31-60 days | 486 | 185 |
| 61-90 days | 197 | 177 |
| more than 90 days | 1,953 | 1,198 |
| **Total** | **5,349** | **1,341** |

## 10.9.14 TAX RECEIVABLES AND OTHER CURRENT ASSETS

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Tax receivables and other current assets** | | |
| Tax to be reclaimed | 1,304 | -121 |
| VAT to be reclaimed | 1,608 | 835 |
| Other | 31,482 | 12,696 |
| **Total** | **34,394** | **13,410** |

As of 31 December 2020, the other current assets include a shareholder loan granted to the Promgranjo joint venture (KEUR 5,721), a shareholder loan granted to the Invest Drève Saint Pierre joint venture (KEUR 10,017) and an advance paid for an acquisition (KEUR 6,000). This also includes a current account position with Aloxe (KEUR 2,470).

This also includes receivables for rental guarantees provided by the sellers of projects acquired in the course of 2019 and 2020. A rental guarantee was given by the seller when All-In Annadal, Alma Student, Campus Besós, XL Fund and subsidiaries Patrimmonia Couronne Franck were acquired. These rental guarantees cover 12 or 36 months. In simple terms, the rental guarantee means that the Seller pays the difference between the theoretical rent in case of 100% occupancy and the actual rent.

## 10.9.15 CASH AND CASH EQUIVALENTS

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Cash and cash equivalents** | | |
| Banks | 9,894 | 4,255 |
| Petty cash | 17 | 13 |
| **Total** | **9,911** | **4,269** |

There are no restrictions on the use or application of cash and cash equivalents. This concerns KEUR 1,030 of the cash position as of 31 December 2020.

## 10.9.16 ACCRUALS AND DEFERRED PAYMENTS – ASSETS

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Accruals and deferred payments- assets** | | |
| Accrued rental income | 259 | 36 |
| Prepaid property charges | 1,845 | 1,247 |
| Other | 3,637 | 820 |
| **Total** | **5,741** | **2,103** |

Other includes general costs to be transferred, service costs to be settled in the Netherlands, other accrued income and interest accrued.

## 10.9.17 CAPITAL AND ISSUE PREMIUMS

| Figures in EUR | | Previous capital (EUR) | Capital increase (EUR) | New capital (EUR) | Previous number of shares | New number of shares | Accounting par value (EUR) |
|---|---|---|---|---|---|---|---|
| **Evolution of capital** | | | | | | | |
| **Date** | **Transaction** | | | | | | |
| 10/03/2014 | Transaction Incorporation of company | | 20,000.00 | 20,000.00 | | 200.00 | 100.00 |
| 23/09/2015 | Capital increase | 20,000.00 | 1,230,000.00 | 1,250,000.00 | 200.00 | 12,500.00 | 100.00 |
| 23/11/2015 | Share split | 1,250,000.00 | | 1,250,000.00 | 12,500.00 | 42,500.00 | 29.41 |
| 11/12/2015 | Sister mergers | 1,250,000.00 | 23,328,937.02 | 24,578,937.02 | 42,500.00 | 975,653.00 | 25.19 |
| 11/12/2015 | Capital increase by way of non-cash contribution as a result of the Share Contribution | 24,578,937.02 | 3,256,783.01 | 27,835,720.03 | 975,653.00 | 1,105,923.00 | 25.17 |
| 11/12/2015 | Mergers by acquisition | 27,835,720.03 | 3,696,060.08 | 31,531,780.11 | 1,105,923.00 | 1,253,764.00 | 25.15 |
| 11/12/2015 | Capital increase below accounting par value through cash contributions for the issue of new shares | 31,531,780.11 | 58,710,898.28 | 90,242,678.39 | 1,253,764.00 | 4,626,780.00 | 19.50 |
| 11/12/2015 | Capital reduction to create a reserve to cover foreseeable losses | 90,242,678.39 | -6,960,638.39 | 83,282,040.00 | 4,626,780.00 | 4,626,780.00 | 18.00 |
| 1/03/2016 | Merger with Devimmo NV | 83,282,040.00 | 4,151,826.00 | 87,433,866.00 | 4,626,780.00 | 4,857,437.00 | 18.00 |
| 1/08/2016 | Merger with CPG CVBA | 87,433,866.00 | 1,320,948.00 | 88,754,814.00 | 4,857,437.00 | 4,930,823.00 | 18.00 |
| 11/10/2016 | Woonfront Tramsingel BV contribution in kind | 88,754,814.00 | 6,114,204.00 | 94,869,018.00 | 4,930,823.00 | 5,270,501.00 | 18.00 |
| 17/01/2017 | KVS project contribution in kind | 94,869,018.00 | 2,669,976.00 | 97,538,994.00 | 5,270,501.00 | 5,418,833.00 | 18.00 |
| 22/06/2017 | Capital increase | 97,538,994.00 | 48,769,488.00 | 146,308,482.00 | 5,418,833.00 | 8,128,249.00 | 18.00 |
| 26/03/2018 | Enschede project contribution in kind | 146,308,482.00 | 9,317,304.00 | 155,625,786.00 | 8,128,249.00 | 8,645,877.00 | 18.00 |
| 12/06/2018 | Capital increase | 155,625,786.00 | 77,812,884.00 | 233,438,670.00 | 8,645,877.00 | 12,968,815.00 | 18.00 |
| 12/12/2018 | All-In Annadal B.V. contribution in kind | 233,438,670.00 | 14,400,000.00 | 247,838,670.00 | 12,968,815.00 | 13,768,815.00 | 18.00 |
| 4/06/2019 | Optional dividend | 247,838,670.00 | 2,702,574.00 | 250,541,244.00 | 13,768,815.00 | 13,918,958.00 | 18.00 |
| 13/06/2019 | Stratos KVK N.V. contribution in kind | 250,541,244.00 | 7,756,002.00 | 258,297,246.00 | 13,918,958.00 | 14,349,847.00 | 18.00 |
| 27/10/2019 | Capital increase | 258,297,246.00 | 86,099,076.00 | 344,396,322.00 | 14,349,847.00 | 19,133,129.00 | 18.00 |
| 18/06/2020 | Capital increase through contribution in kind | 344,396,322.00 | 2,918,916.00 | 347,315,238.00 | 19,133,129.00 | 19,295,291.00 | 18.00 |
| 7/10/2020 | Patrimmonia Couronne - Franck N.V. contribution in kind | 347,315,238.00 | 11,835,702.00 | 359,150,940.00 | 19,295,291.00 | 19,952,830.00 | 18.00 |
| 25/11/2020 | Capital increase | 359,150,940.00 | 19,684,998.00 | 378,835,938.00 | 19,952,830.00 | 21,046,441.00 | 18.00 |

**Evolution of issue premiums**

| Date | Transaction | Issue premiums |
|---|---|---|
| 31/12/2015 | | 25,615 |
| 1/03/2016 | Merger with Devimmo NV | 1,615 |
| 1/08/2016 | Merger with CPG CVBA | 514 |
| 11/10/2016 | Woonfront Tramsingel BV contribution in kind | 4,517 |
| 17/01/2017 | KVS project contribution in kind | 2,394 |
| 22/06/2017 | Capital increase | 35,222 |
| 26/03/2018 | Enschede project contribution in kind | 8,800 |
| 12/06/2018 | Capital increase | 53,332 |
| 12/12/2018 | Contribution in kind All-In Annadal | 15,230 |
| 4/06/2019 | Optional dividend | 3,378 |
| 13/06/2019 | Stratos KVK N.V. contribution in kind | 10,241 |
| 27/10/2019 | Capital increase | 115,582 |
| 18/06/2020 | Capital increase through contribution in kind | 4,581 |
| 7/10/2020 | Patrimmonia Couronne - Franck N.V. contribution in kind | 22,047 |
| 25/11/2020 | Capital increase | 34,996 |
| **Total issue premiums as at 31/12/2020** | | **338,065** |
| **Unavailable issue premiums** | | **298,447** |
| **Available issue premiums** | | **39,617** |

The Extraordinary General Meeting of 15 December 2017 made available EUR 4,621 of the share premiums. In the capital increase from 25 November 2020, KEUR 34,996 was allocated to the available issue premiums.

**Issued capital**
At the Extraordinary General Meeting of 6 November 2019, the Board of Directors was authorised to increase the share capital in one or more instalments. For this purpose, see Article 7 of the Articles of Association included in *Chapter 12.4 of this Annual Report*.

This authorisation was granted to the Board of Directors for a five-year period from the publication in the Annexes to the Belgian Official Journal of the minutes of the extraordinary general meeting of 6 November 2019. This authorisation can be renewed. The Board of Directors will determine the price, any issue premium and the issue conditions of the new securities for each capital increase.

These capital increases may be implemented by cash contributions, non-cash contributions, mixed contributions or the conversion of reserves, including retained profits and issue premiums, as well as all equity components under the Company's IFRS statutory annual financial statement (drawn up under the Legislation on Regulated Real Estate Companies) that are subject to conversion into capital, whether or not with the creation of new securities, in accordance with the rules prescribed by the Belgian Companies and Associations Code, Legislation on Regulated Real Estate Companies and Articles of Association.

The Board of Directors may at such occasion issue new shares with the same or different rights (such as voting rights, dividend rights, including whether or not any preferential dividend is transferable, and/or rights relating to the liquidation balance and any preference with regard to the repayment of capital) as the existing shares and amend the Articles of Association in that regard to give effect to such different rights. 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.

Without prejudice to the application of Articles 7:188 to 7:193 and Article 7:201 of the Belgian Companies and Associations Code, the Board of Directors may restrict or cancel the pre-emptive right, even when this is done for the benefit of one or more specific persons other than employees of the Company or its subsidiaries. In principle, this is only possible to the extent that existing shareholders are granted an irreducible allocation right when new securities are granted (to the extent required by law). This irreducible allocation right must at least comply with the conditions as set out in Article 11.1 of the Articles of Association. Notwithstanding the application of Articles 7:190 to 7:194 of the Belgian Companies and Associations Code, such restrictions with regard to the restriction or cancellation of the pre-emptive right do not apply to a cash contribution with any restriction or cancellation of the pre-emptive right, in addition to a non-cash contribution as part of the distribution of an optional dividend, insofar as this is actually made payable in respect of all shareholders. In this context, the Company draws particular attention to the possibility of increasing the capital by means of a private placement without such an irreducible allocation right (limited to 10% new shares per 12 months) recently included in the Legislation on Regulated Real Estate Companies, and which the authorisation for authorised capital granted by the general meeting also permits (together with the authorisation for a contribution in kind limited to 10%).

If securities are issued in return for a non-cash contribution, the conditions as stated in Article 11.2 of the Articles of Association must be fulfilled (including the possibility of deducting an amount that corresponds to the portion of the unpaid gross dividend). However, the special rules on a capital increase by non-cash contribution, as set out under Article 11.2, do not apply to the contribution of the right to a dividend as part of the distribution of an optional dividend, insofar as this is actually made payable in respect of all shareholders.

Under the same conditions as set out above and subject to the applicable statutory provisions, the Company may, with the exception of profit-sharing certificates and similar securities, issue the securities referred to in Article 7:22 of the Belgian Companies and Associations Code and any other securities permitted by company law in accordance with the rules prescribed for that purpose and the Legislation on Regulated Real Estate Companies.

The right in relation to the issued capital may never be used for the following transactions:

(i) Capital increases that are mainly brought about by a non-cash contribution exclusively reserved for a shareholder of the Company who holds securities of the Company to which more than 10% of the voting rights are attached. Securities held by the following persons are added to those held by this shareholder (Article 7:201(1)(1) of the Belgian Companies and Associations Code):

- a third party acting in their own name but on behalf of the aforementioned shareholder;
- a natural person or legal entity affiliated with the aforementioned shareholder;
- a third party acting in their own name but on behalf of a natural person or legal entity affiliated with the aforementioned shareholder;
- persons acting in joint consultation, which refers to (a) the natural persons or legal entitles who act in joint consultation within the meaning of Article 3, Section 1(5)(a) of the Belgian Law of 1 April 2007, (b) the natural persons or legal entities that have entered into an agreement for the coordinated exercise of their voting rights in order to pursue a sustainable, common policy in relation to the Company, and (c) the natural persons or legal entities that have entered into an agreement with regard to acquiring, holding or transferring voting securities;

(ii) The issue of no-par-value shares below the accounting par value of the same type of old shares (Article 7:201(1)(2) of the Belgian Companies and Associations Code);

(iii) The issue of warrants that are mainly intended for one or more specific persons, other than employees of the Company or of one or more of its subsidiaries (Article 7:201(1)(3) of the Belgian Companies and Associations Code).

The capital was increased three times by means of the issued capital in the course of 2020. The balance of the authorised capital as of 31 December 2020 amounts to (a) (a maximum of) EUR 172,198,161.00 (for capital increases in cash with pre-emptive right or irreducible allocation rights, (b) (a maximum of) EUR 172,198,161.00 (for capital increases within the framework of the optional dividend), and (c) EUR 16.20 (for other contributions in kind or cash) respectively. On 6 November 2019, the approval for issued capital was renewed. For this purpose, see Article 7 of the Articles of Association included in *Chapter 12.4 of this Annual Report*.

## 10.9.18 SHAREHOLDER STRUCTURE

Taking into account the received transparency notifications and the information in Xior Student Housing NV's possession, the main shareholders on 31 December 2020 are:

| Shareholder | % |
|---|---|
| **Aloxe NV: – Mr C. Teunissen and Mr F. Snauwaert** | 17.11%[1] |
| **AXA Investment Managers SA[2]** | 9.11%[3] |

1 Based on the transparency notification of 12 December 2018 and publicly available information (including the denominator as of 25 November 2020).
2 AXA Investment Managers S.A. makes the transparency notification as controlling person for AXA Investment Managers Paris S.A., AXA Real Estate Investment Managers S.A. and AXA Real Estate Investment Managers SGP..
3 Based on the transparency notification as of 3 April 2020.

Please also refer to *Chapter 6.1.3 of this Annual Report*.

The transparency notifications can be consulted on the Company's website (www.xior.be under the heading Investor Relations – Shareholder Structure).

## 10.9.19 EARNINGS PER SHARE

| | 31/12/2020 | 31/12/2019 |
|---|---|---|
| Number of ordinary shares in circulation | 21,046,441 | 19,133,129 |
| Weighted average number of shares | 19,560,351 | 14,996,135 |
| Net result per ordinary share (in EUR) | -2.14 | 0.51 |
| Diluted net result per ordinary share (in EUR) | -2.14 | 0.51 |
| **EPRA earnings per share (in EUR)** | **1.74** | **1.61** |
| **EPRA earnings per share (in EUR) share of the group** | **1.70** | **1.60** |

## 10.9.20 OTHER NON-CURRENT FINANCIAL LIABILITIES

The other non-current financial liabilities on 31 December 2020 are KEUR 26,530. They relate to the market value of the outstanding *interest rate swap* (IRS) agreements on 31 December 2020.

**31/12/2020**

| IFRS classification | Level (IFRS) | Notional amount | Interest rate (in %) | Expires on | Fair value liabilities |
|---|---|---|---|---|---|
| Interest Rate Swap | 2 | 45,000,000 | 0.65 | 30/12/2027 | -3,050,781 |
| Interest Rate Swap | 2 | 52,000,000 | 0.465 | 29/12/2023 | -1,584,088 |
| Interest Rate Swap | 2 | 18,000,000 | 0.59 | 30/12/2024 | -812,808 |
| Interest Rate Swap | 2 | 25,000,000 | 0.7 | 1/04/2025 | -1,352,578 |
| Interest Rate Swap | 2 | 12,500,000 | 0.09 | 30/09/2026 | -401,234 |
| Interest Rate Swap | 2 | 12,500,000 | 0.14 | 28/09/2029 | -531,757 |
| Interest Rate Swap | 2 | 30,000,000 | 0.413 | 9/08/2029 | -2,069,763 |
| Interest Rate Swap | 2 | 48,000,000 | 0.416 | 9/11/2027 | -2,903,921 |
| Interest Rate Swap | 2 | 22,000,000 | 0.9765 | 30/06/2028 | -2,337,328 |
| Interest Rate Swap | 2 | 25,000,000 | 0.185 | 11/12/2028 | -1,161,837 |
| Interest Rate Swap | 2 | 25,000,000 | 1.01 | 31/12/2029 | -3,109,847 |
| Interest Rate Swap | 2 | 25,000,000 | 1.1225 | 31/12/2030 | -3,629,411 |
| Interest Rate Swap | 2 | 25,000,000 | 0.895 | 30/06/2027 | -2,286,134 |
| Interest Rate Swap | 2 | 32,500,000 | 0.195 | 24/06/2025 | -533,947 |
| Interest Rate Swap | 2 | 32,500,000 | 0.195 | 24/06/2025 | -533,947 |
| Interest Rate Swap | 2 | 25,437,500 | 0.785 | 7/02/2029 | -2,021,214 |
| Floor | 2 | 15,000,000 | | 5/05/2021 | 34,825 |
| Floor | 2 | 10,000,000 | | 31/03/2024 | 182,188 |
| Floor | 2 | 20,000,000 | | 30/09/2023 | 308,324 |
| Floor | 2 | 10,000,000 | | 31/05/2021 | 27,160 |
| Floor | 2 | 15,000,000 | | 5/05/2022 | 119,731 |
| Floor | 2 | 20,000,000 | | 31/03/2023 | 252,168 |
| Floor | 2 | 10,000,000 | | 11/12/2023 | 168,688 |
| Floor | 2 | 10,000,000 | | 31/01/2023 | 125,691 |
| Floor | 2 | 15,000,000 | | 30/04/2024 | 293,958 |
| Floor | 2 | 25,000,000 | | 31/12/2021 | 138,835 |
| Floor | 2 | 25,000,000 | | 31/12/2021 | 138,835 |
| **TOTAL** | | | | | **-26,530,192** |

**31/12/2019**

| IFRS classification | Level (IFRS) | Notional amount | Interest rate (in %) | Expires on | Fair value liabilities |
|---|---|---|---|---|---|
| Interest Rate Swap | 2 | 30,000,000 | 0.413 | 9/08/2029 | -960,994.21 |
| Interest Rate Swap | 2 | 48,000,000 | 0.416 | 9/11/2027 | -1,726,018.48 |
| Interest Rate Swap | 2 | 22,000,000 | 0.9765 | 30/06/2028 | -1,821,572.22 |
| Interest Rate Swap | 2 | 25,000,000 | 0.15 | 6/06/2026 | -438,756.89 |
| Interest Rate Swap | 2 | 25,000,000 | 1.01 | 31/12/2029 | -2,199,125.06 |
| Interest Rate Swap | 2 | 25,000,000 | 1.1225 | 31/12/2030 | -2,554,557.58 |
| Interest Rate Swap | 2 | 32,500,000 | 0.195 | 24/06/2025 | -200,345.57 |
| Interest Rate Swap | 2 | 32,500,000 | 0.195 | 24/06/2025 | -200,345.57 |
| Interest Rate Swap | 2 | 25,000,000 | 0.895 | 30/06/2027 | -1,645,406.42 |
| Interest Rate Swap | 2 | 45,000,000 | 0.65 | 30/12/2027 | -1,981,510.51 |
| Interest Rate Swap | 2 | 52,000,000 | 0.465 | 29/12/2023 | -1,515,484.00 |
| Interest Rate Swap | 2 | 18,000,000 | 0.59 | 30/12/2024 | -714,462.00 |
| Interest Rate Swap | 2 | 25,000,000 | 0.7 | 1/04/2025 | -1,140,994.00 |
| Interest Rate Swap | 2 | 12,500,000 | 0.09 | 30/09/2026 | -94,772.00 |
| Interest Rate Swap | 2 | 12,500,000 | 0.14 | 28/09/2029 | 45,275.00 |
| Floor | 2 | 20,000,000 | | 30/09/2023 | 262,008.12 |
| Floor | 2 | 20,000,000 | | 31/03/2023 | 227,906.12 |
| Floor | 2 | 10,000,000 | | 31/05/2021 | 58,485.41 |
| Floor | 2 | 10,000,000 | | 31/01/2023 | 115,616.66 |
| Floor | 2 | 15,000,000 | | 30/04/2024 | 238,371.90 |
| Floor | 2 | 10,000,000 | | 31/03/2024 | 148,838.17 |
| Floor | 2 | 15,000,000 | | 5/05/2022 | 134,473.73 |
| Floor | 2 | 15,000,000 | | 5/05/2021 | 83,729.29 |
| Floor | 2 | 10,000,000 | | 11/12/2020 | 39,324.72 |
| Floor | 2 | 25,000,000 | | 31/12/2021 | 186,537.80 |
| Floor | 2 | 25,000,000 | | 31/12/2021 | 186,537.80 |
| **TOTAAL** | | | | | **-15,467,239.79** |

The market value of the outstanding *Interest Rate Swap* contracts is received from the various financial institutions.

## 10.9.21 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities (KEUR 23,333) relate to the put option on the remaining 20% of Mosquera Directorship shares, 10% on XL Fund shares and 50% on Invest Drève Saint Pierre shares. This liability was recorded for Mosquera and XL Fund against equity (as a deduction from equity – IFRS liability), which has a negative impact on the NAV per share. When the option is exercised, this negative amount will be recorded in equity against minority interests.

| Figures in thousands of EUR | 31.12.2020 | 31.12.2019 |
|---|---|---|
| Put/call option remaining 20% Mosquera shares | 19,112 | 19,329 |
| Put/call option remaining 10% XL shares | 2,481 | 0 |
| Put/call option remaining 50% Invest Drève Saint Pierre shares | 354 | 0 |
| Other liabilities | 1,386 | 0 |
| **Total** | **23,333** | **19,329** |

The decrease in debt for the Mosquera put/call option is due to a fall in the value of the property.

If the FV of the property rises or falls by 10%, this will have an impact of +10% or -10% on the option price for Mosquera and XL Fund. An increase or decrease in the fair value of the property held by Invest Drève Saint Pierre has no impact on the option price.

## 10.9.22 DEFERRED TAXES

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Deferred taxes – liabilities** | | |
| Exit tax | 3.335 | 0 |
| Deferred taxes on capital gains on property abroad | 47.815 | 46.813 |
| **Total** | **51.150** | **46.813** |

These are deferred taxes on Dutch, Spanish and Portuguese property.

Please also refer to *Chapter 10.9.7 of the Annual Report*.

## 10.9.23 FINANCIAL DEBTS

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Non-current financial debts** | | |
| Bilateral loans – variable or fixed interest rate | 732,231 | 501,475 |
| Loan withdrawal costs | -1,562 | -1,050 |
| **Total** | **730,669**[9] | **500,425** |

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Non-current financial debts (excl. interests) Breakdown according to maturity** | | |
| Between one and two years | 150,044 | 80,854 |
| Between two and five years | 362,800 | 380,517 |
| More than five years | 219,388 | 40,104 |
| **Total** | **732,231**[9] | **501,475** |

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Undrawn loans** | | |
| Due within one year | 9,514 | 0 |
| Due after one year | 91,000 | 208,000 |
| **Total** | **100,514** | **208,000** |

The financial debts that have been closed at Xior Student Housing level are without underlying collateral. Exceptions to this are loans taken out by subsidiaries, i.e. the loan from Stratos KVK, the loan from I Love Vols B.V., the loan from Uhub Benfica and the loan from Uhub São João. This was taken over on acquisition of 100% of the shares. This loan is partly secured by securities.

The majority of the financial debts have a variable interest rate. Some of the financing concluded has a fixed interest rate. IRS contracts were signed to hedge part of the loans and swap the variable interest rates for fixed interest rates. A total of 455,438 KEUR in financing is hedged with IRS contracts. This means 56% of withdrawn financing is hedged. There is KEUR 175,474 in loans at fixed interest rates, which results in a hedge (IRS + fixed interest rate) of 77% compared with the withdrawn financing.

[9] This amount does not include the financial leasing obligations (KEUR 2,513). These relate to leasehold obligations for 2 projects in development.

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Estimated future interest charges** | | |
| Within one year | 11,545 | 6,622 |
| Between one and five years | 31,779 | 22,142 |
| More than five years | 17,819 | 5,740 |
| **Total** | **61,143** | **34,504** |

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Liquidity liability on maturity dates associated with the hedging instruments** | | |
| Within one year | 2,512 | 2,304 |
| Between one and five years | 9,257 | 9,214 |
| More than five years | 5,509 | 8,596 |
| **Total** | **17,279** | **20,114** |

The estimate of future interest expenses takes into account the debt position on 31 December 2020.

Xior Student Housing had KEUR 920,813 of committed credit agreements as at 31 December 2020. For Xior Student Housing's debt ratio, please refer to *Chapter 10.9.34 of this Annual Report*. This concerns *bullet* loans taken out with various banks and with terms varying from 3 to 10 years. The average term is 4.51 years. Some of these credit agreements contain cross-default provisions that allow the creditor to demand the early repayment of the credit (or to cancel or renegotiate the credit) in the event of Xior breaching one of its other credit agreements.

The following table gives an overview of the impact on the fair value and IRSs if the interest rate were to rise or fall by up to 0.20%:

| Change in interest rate | Impact on change in fair value of IRSs on 31/12/2020 |
|---|---|
| -0.20% | -5,355 KEUR |
| +0.20% | +5,333 KEUR |

| Change in interest rate | Impact on change in fair value of IRSs on 31/12/2019 |
|---|---|
| -0.20% | -6,103 KEUR |
| +0.20% | +9,652 KEUR |

The Company must comply with the necessary covenants in the context of its financing agreements. As at 31 December 2020, with the exception of what is set out below, Xior is in compliance with all covenants set forth. As a result of the acquisition of the Zernike Tower in Groningen on 16 December 2020 with a total investment value of approx. 91.5 MEUR, of which the rental income only counted for a few days in 2020, the Company failed to comply with an Adjusted Debt Yield Ratio of at least 6% during the calculation period ending on 31 December 2020, as required under the credit agreement of 30 April 2020 with ING Belgium NV. The Company obtained a waiver for this temporary, technical breach from ING Belgium NV on 5 February 2021. Under the credit agreement of 10 October 2019 between Xior and ABN Amro Bank NV, Xior is required, pursuant to a so-called "most favoured nation" clause, to notify ABN Amro Bank NV without delay of any grant of a financial covenant that has not been granted to ABN Amro Bank NV, and if requested, to agree to an amendment of the credit agreement with ABN Amro Bank NV so that the financial covenant is incorporated into this credit agreement. The Company did not immediately report the granting of the Adjusted Debt Yield Ratio to ING Belgium NV (see above) to ABN Amro Bank NV, thus violating this "most favoured nation" clause. The Company informed ABN Amro Bank NV immediately after this violation had been established about the granting of the Adjusted Debt Yield Ratio to ING Belgium NV and undertook to grant the changes to the credit agreement with ABN Amro Bank NV desired by ABN Amro Bank NV. ABN Amro Bank NV has confirmed that the compliance with the most favoured nation clause is thus fulfilled and that it will not terminate the credit agreement prematurely because of this breach of the most favoured nation clause. The credit agreement dated 10 October 2019 (as amended on 21 December 2020) between Xior and ABN Amro Bank NV, provides that certain subsidiaries of Xior Student Housing NV will join the credit agreement as guarantors, guaranteeing the payment of all commitments under the credit agreement. The guarantee agreement of 1 October 2020 relating to the credit agreement of 24 June 2019 between Xior and Natixis SA, Caisse d'Épargne Hauts de France SA, China Construction Bank (Europe) SA and Banque Internationale à Luxembourg SA stipulates that a guarantee will be provided by various subsidiaries of Xior Student Housing NV for the benefit of Xior in favour of the lenders. The aforementioned guarantees, known as "subsidiary guarantees", are prima facie irrevocable, unconditional and abstract guarantees on first demand. By means of a waiver letter, various banks have previously waived the grounds for cancellation or suspension which would trigger the provision of these subsidiary guarantees due to a breach of the negative pledge provisions included in the respective loans, so that these subsidiary guarantees did not have any impact on these loans. However, for these specific subsidiary guarantees no prior waiver letters were obtained from ING Belgium NV and Banque de Luxembourg in the context of the credits outstanding with them. By additional waiver letters dated 1 and 4 February 2021 respectively, ING Belgium NV and Banque de Luxembourg did (and the latter only conditionally, i.e. subject to the submission of certain documents by Xior, which in principle are easy to deliver) waived the grounds for cancellation or suspension which would trigger the provision of these subsidiary guarantees in favour of ABN Amro Bank NV and Natixis, Caisse d'Épargne Hauts de France SA, China Construction Bank (Europe) SA and Banque Internationale à Luxembourg SA for breach of the negative pledge provisions included in the respective credits with ING Belgium NV and Banque de Luxembourg, so that the subsidiary guarantees had no impact on these credits.

A 60% maximum debt ratio (see calculation provided in the Belgian Royal Decree on Regulated Real Estate Companies), an interest cover ratio of at least 2.5, an adjusted debt yield ratio of 6% and minimal hedging of 70%. For a more detailed description of the financing agreements signed by the Company, please also refer to *Chapter 5.3.1 of this Annual Report.*

**2020 interest rate sensitivity**
If the Euribor interest rate (3m, 12m and/or 6m) were to increase by 20 basis points, this would have an impact of KEUR 32 on the interest to be paid by the Company by 2021. This sensitivity estimate takes into account concluded hedging transactions.

**Reconciliation of debt from financing activities**
The table below shows the changes in Xior's financing activities[10].

| | 31/12/2019 | Cash flows | Non-cash changes | | | Reclassification | 31/12/2020 |
|---|---|---|---|---|---|---|---|
| | | | Reconstitution of the nominal amount | changes in the fair value | taken over upon acquisition | | |
| Long-term credit | 500,425 | 258,774 | -1,202 | | 62,981 | -90,309 | 730,669 |
| Short-term credit | 1,706 | -1,706 | | | | 90,309 | 90,309 |
| Financial instruments | 15,467 | | | 9,042 | 2,021 | | 26,530 |
| **Total** | **517,598** | **257,068** | **-1,202** | **9,042** | **65,002** | **0** | **847,508** |

| | 31/12/2018 | Cash flows | Non-cash changes | | Reclassification | 31/12/2019 |
|---|---|---|---|---|---|---|
| | | | Reconstitution of the nominal amount | changes in the fair value | | |
| Long-term credit | 401,177 | 100,810 | -717 | | -845 | 500,425 |
| Short-term credit | 1,637 | -776 | | | 845 | 1,706 |
| Financial instruments | 6,317 | | | 9,150 | | 15,467 |
| **Total** | **409,131** | **100,034** | **-717** | **9,150** | **0** | **517,598** |

## 10.9.24 TRADE DEBTS

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Trade debts** | | |
| Trade debts | 7,283 | 4,378 |
| Invoices to be received | 3,312 | 1,278 |
| Taxes and social security contributions | 4,036 | 4,257 |
| Liquidation bonus to be paid | 0 | 0 |
| Exit tax | -108 | 206 |
| Customer advances | | |
| Other | 663 | 686 |
| **Total** | **15,186** | **10,807** |

The taxes and social security are mainly estimated taxes on permanent establishments and subsidiaries and payable VAT.

[10] This overview does not take into account the financial leasing debts (ground lease contracts).

## 10.9.25 OTHER CURRENT LIABILITIES

Other current liabilities KEUR 15,846 (2019: KEUR 50,906) include rental guarantees received from tenants, a put option on shares in a real estate company and a put option on the remaining 50% shares in Promgranjo. The decrease in other current liabilities is due to the exercise of the options with regard to the uhub entities.

On 31 December 2019, the company had a put and call option on the remaining 50% of the shares of its joint venture partner Promgranjo, on 60% of the shares of Uhub Benfica and on 75% of the shares of Uhub São João. The expected option price (KEUR 42,869) for the remaining shares was therefore already included as a liability in the financial statements as at 31 December 2019. These options with regard to U.hub Companies were exercised at the end of 2020.

## 10.9.26 ACCRUED LIABILITIES AND DEFERRED INCOME

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Accrued liabilities and deferred income** | | |
| Deferred income | 490 | 1,176 |
| Real estate expenses to be allocated | 1,121 | 860 |
| Accrued interests | 1,794 | 2,083 |
| Other | 1,872 | 1,147 |
| **Total** | **5,277** | **5,266** |

The income to be carried over relates mainly to rent paid in advance. Accrued expenses are mainly property tax assessments and property taxes still to be received.

Other accruals and deferred payments are mainly general expenses still due.

## 10.9.27 FINANCIAL ASSETS AND LIABILITIES

| | 31/12/2020 | | 31/12/2019 | | |
|---|---|---|---|---|---|
| Figures in thousands of EUR | Carrying amount | Fair value | Carrying amount | Fair value | Level |
| **Summary of financial assets and liabilities** | | | | | |
| **Assets** | | | | | |
| **Financial fixed assets** | **8,489** | **8,489** | **63,891** | **63,891** | |
| Financial fixed assets | 4,166 | 4,166 | 25 | 25 | Level 2 |
| Trade receivables and other fixed assets | 135 | 135 | 135 | 135 | Level 2 |
| Deferred taxes – assets | 1,013 | 1,013 | 96 | 96 | Level 2 |
| Participating interests in associated companies and joint ventures | 3,175 | 3,175 | 63,635 | 63,635 | Level 2 |
| **Financial current assets** | **49,192** | **49,192** | **18,842** | **18,842** | |
| Trade receivables | 4,887 | 4,887 | 1,163 | 1,163 | Level 2 |
| Tax receivables and other current assets | 34,394 | 34,394 | 13,410 | 13,410 | Level 2 |
| Cash and cash equivalents | 9,911 | 9,911 | 4,269 | 4,269 | Level 1 |
| **Total financial assets** | **57,681** | **57,681** | **82,733** | **82,733** | |
| **Liabilities** | | | | | |
| **Non-current financial liabilities** | **783,045** | **790,072** | **535,221** | **535,617** | |
| Non-current financial liabilities | 733,182 | 740,209 | 500,425 | 500,821 | Level 2 |
| Financial derivatives | 26,530 | 26,530 | 15,467 | 15,467 | Level 2 |
| Other non-current liabilities | 23,333 | 23,333 | 19,329 | 19,329 | Level 2 |
| **Current financial liabilities** | **121,341** | **121,341** | **63,419** | **63,419** | |
| Current financial liabilities | 90,309 | 90,309 | 1,706 | 1,706 | Level 2 |
| Trade debts and other current liabilities | 15,186 | 15,186 | 10,807 | 10,807 | Level 2 |
| Other current liabilities | 15,846 | 15,846 | 50,906 | 50,906 | Level 2 |
| **Total financial liabilities** | **904,386** | **911,413** | **598,640** | **599,036** | |

Trade debts and payables are recorded at amortised cost. The change in the Fair Value of financial derivatives is entered via the result.

**Fair value**

Since the trade debts and payables are current, the fair value almost approximates the nominal value of the financial assets and liabilities in question. As per 31 December 2020, Xior Student Housing has KEUR 175,473 in financial debts at fixed interest rates. The rest of the financial debts are at variable interest rates. A fair value was calculated for the loans that were repaid at a fixed interest rate. This fair value differs from the carrying amount. For the loans taken out at variable interest rates, the fair value equals the carrying amount. These loans are partially hedged with IRS - contracts.

For the definitions of the levels, please refer to *Chapter 10.9.8 of this Annual Report.*

## 10.9.28 TRANSACTIONS WITH RELATED PARTIES

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Transactions with related parties** | | |
| Management fee | 879 | 934 |
| Fee of independent directors | 117 | 114 |
| **Total** | **996** | **1,048** |
| Receivables from Aloxe | 2,470 | 1,720 |

The related parties the Company associates with are its subsidiaries and its directors and executives. Transactions with the subsidiaries are eliminated in the consolidation.

The fee for directors and executives is recognised under the item "*General expenses of the Company*" (see ***Chapter 10.9.3 of this Annual Report***).

Directors and executives do not receive any further benefits at the expense of the Company. We refer for this purpose to the remuneration report in ***Chapter 6.1.17 of this Annual Report***.

On 31 December 2020, Xior Student Housing NV had KEUR 2,470 in receivables from Aloxe, the Company's main shareholder. These receivables resulted mainly from the provided rental guarantees for certain projects during the IPO.

## 10.9.29 STATUTORY AUDITOR'S FEE

Pursuant to Article 7:99, Section 7 of the Belgian Companies and Associations Code, the 70% rule must be assessed in relation to Xior Student Housing NV and may not be exceeded.

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| Mandate of the Statutory Auditor (Xior Student Housing NV) | 47 | 46 |
| Mandate of the Statutory Auditor (subsidiaries) | 28 | 20 |
| Audit engagements under the Belgian Companies Code | 35 | 16 |
| Other audit engagements (comfort letter and so on) | 22 | 29 |
| Tax consultancy assignments | 0 | 0 |
| Other assignments outside the audit engagements | 0 | 0 |
| **TOTAL** | **132** | **111** |

## 10.9.30 ACQUIRED REAL ESTATE COMPANIES AND INVESTMENT PROPERTY

The Company is achieving its growth strategy and its portfolio contained 118 properties on 31 December 2020. The acquisitions achieved in the course of 2020 are explained briefly below.

### 10.9.30.1 Property acquisitions

The Company has not acquired any properties through a sale-purchase against payment in cash (property acquisitions).

### 10.9.30.2 Share acquisitions

The Company acquired 100% of the shares in several real estate companies through a sale-purchase against payment in cash or shares.

**Acquisition of 85% of U. hub Operations shares**

| Uhub Operations | |
|---|---|
| Summary of acquired assets and liabilities (100%) | |
| Investment property | |
| Other assets | 123 |
| Cash and cash equivalents | 6 |
| Equity | 75 |
| Deferred taxes | |
| Other debt | 54 |
| Adjusted equity | 75 |
| Adjusted equity (85%) | 64 |
| **Purchase price of shares** | **61** |

**Exercise of call option on remaining 75% and 60% of the shares of U.hub São João and U.hub Benfica**

On 22 December 2020, Xior acquired the remaining shares in Uhub Benfica (60%) and Uhub São João (75%), which owns three student complexes in Lisbon and one in Porto, respectively, as already planned for acquirement in December 2019. The buildings were recently completed and generate rental income.

| Uhub São João | |
|---|---|
| Summary of acquired assets and liabilities (100%) | |
| Investment property | 28,525 |
| Other assets | 232 |
| Cash and cash equivalents | 312 |
| Equity | 15,517 |
| Deferred taxes | 0 |
| Non-current debts | 13,045 |
| Other debt | 507 |
| Adjusted equity | 15,517 |
| **Purchase price of shares** | **15,997** |

| Uhub Benfica | |
|---|---|
| Summary of acquired assets and liabilities (100%) | |
| Investment property | 33,125 |
| Other assets | 387 |
| Cash and cash equivalents | 240 |
| Equity | 20,079 |
| Deferred taxes | 0 |
| Non-current debts | 13,218 |
| Other debt | 455 |
| Adjusted equity | 20,079 |
| **Purchase price of shares** | **20,274** |

### Zernike Tower Groningen

On 16 December 2020, Xior acquired Zernike Tower in Groningen, which was acquired and developed in 2018 by the global investment company KKR. This recently completed (2020), eye-catching tower at a height of 74 metres is already operational, fully rented out and adds 698 self-contained student rooms to Xior's portfolio. All at once, the tower will become Xior's number one asset. This flagship residence is strategically located close to the centre of the city and only a two-minute cycle from the Zernike student campus in Groningen, one of the top four student cities in the Netherlands. The total investment value is approximately MEUR 91.5 and the expected initial yield is approximately 6%.

**VBRE Groningen**

| Summary of acquired assets and liabilities (100%) | |
|---|---|
| Investment property | 86,783 |
| Other assets | 1,211 |
| Cash and cash equivalents | 1,187 |
| Equity | 33,451 |
| Non-current debts | 53,272 |
| Other debt | 2,458 |
| Adjusted equity | 33,451 |
| **Purchase price of shares** | **33,468** |

### Voskenslaan & Docks Ghent

On 6 November 2020, Xior signed an agreement on the acquisition of 2 development projects in Ghent located at the Voskenslaan and at the Sint-Pietersplein. A total of 160 student rooms will be developed here.

**Voskenslaan**

| Summary of acquired assets and liabilities (100%) | |
|---|---|
| Investment property | 6,093 |
| Other assets | 2 |
| Equity | 5,339 |
| Exit tax | 750 |
| Other debt | 6 |
| Adjusted Equity | 5,339 |
| **Purchase price of shares** | **5,291** |

**Docks Ghent**

| Summary of acquired assets and liabilities (100%) | |
|---|---|
| Investment property | 2,117 |
| Other assets | 20 |
| Equity | -33 |
| Exit tax | |
| Other debt | 2,170 |
| Adjusted Equity | -33 |
| **Purchase price of shares** | **739** |

### 365 Rooms - Brussel

On 7 October 2020, Xior signed an agreement on the acquisition of the "365 Rooms" student residence in Elsene (Brussels), Belgium. This fully operational and sustainable residence was completed in 2014 in consultation with VUB/ULB and is in an exceptionally favourable location in Brussels, the largest student city in Belgium. In addition to 323 student rooms, the residence also includes 5 studios, 9 apartments and approximately 1,000m² of multi-purpose rooms. The contributor offers a rental guarantee for a period of 3 years for full occupancy. The total investment value of this acquisition is approximately MEUR 34 million, with an expected initial yield of 5.5%, whereby Xior paid the purchase price in full by means of a contribution in kind. As a result of this contribution, which entails a capital increase (including a share premium) of EUR 33,883,013, 657,539 new shares were issued by Xior Student Housing. The shares have been listed since 13 October 2020. The issue price (rounded off) was EUR 51.53 per share. The transaction resulted in an equity increase of EUR 33,883,013, of which EUR 11,835,702 was assigned as capital and the balance of EUR 22,047,311 was assigned as Issue Premiums after deduction of the costs of the capital increase according to the applicable IFRS rules.

**Patrimmonia Couronne Franck**

| Summary of acquired assets and liabilities (100%) | |
|---|---|
| Investment property | 32,770 |
| Other assets | 188 |
| Cash and cash equivalents | 225 |
| Equity | 32,726 |
| Non-current debts | |
| Other debt | 457 |
| Adjusted equity | 32,726 |
| **Purchase price of shares** | **33,883** |

### LAUNCH OF 'XL FUND': A COLLABORATION BETWEEN XIOR (90%) AND LIFE (10%)

On 18 June 2020, Xior announced the launch of 'XL Fund': a collaboration between Xior and property developer LIFE (with a 90% Xior – 10% LIFE distribution). From the start, the XL Fund will comprise a substantial portfolio consisting of 6 different student residences and projects at various locations in Belgium and the Netherlands. These projects have all been developed or are still under development by LIFE, for a total expected investment value of around MEUR 155 with an average expected gross yield of 5.83%. In one fell swoop, Xior is taking an important step in the further roll-out of its growth plan and significantly strengthening its position in its historic domestic market. The XL Fund also provides a platform for further potential collaboration between the two parties to further expand the portfolio in Belgium and the Netherlands. Xior has an option on the remaining 10% of the shares of XL Fund (KEUR 2,481).

**XL Fund**

| Summary of acquired assets and liabilities | |
|---|---|
| Participations | 30,063 |
| Other assets | 8,034 |
| Cash and cash equivalents | 7,395 |
| Equity | 24,842 |
| Other debt | 20,650 |
| Adjusted equity | 24,842 |
| **Purchase price of shares (90%)** | **22,388** |

**1. Locations**

### Katzensprung – Vaals (the Netherlands)

This existing and already operational student residence is located close to the three-border point of the Netherlands, Belgium and Germany and grew out of the University of Aachen's demand for more student housing, as well as the desire of the city of Vaals to provide a solution to the existing scarcity. This location, aimed at students at the German University of Aachen but located just across the border in the Netherlands, offers students the advantage of being able to make use of the Dutch rent subsidy system, which explains the popularity of this destination. This modern residence (completed in 2017) has 460 student rooms and is located on Sneeuwberglaan in Vaals, the Netherlands. It is the ideal place for students to live on a green site, with all the advantages of a nearby city. The residence offers students various facilities including study and relaxation areas, laundry facilities and parking.

This project is held in full ownership by the project company being taken over (which also includes the local operational team). The expected investment value amounts to EUR 38,500,000, with an expected gross yield of 6.17%. This residence has had a very high occupancy rate since being opened, further supported by a rent guarantee from LIFE for 18 months from the transfer calculated at an occupancy rate of 98%.

**XL NL Coop 2 (100% participation in I Love Vols)**

| Summary of acquired assets and liabilities (100%) | |
|---|---|
| Investment property | |
| Other assets | 12,496 |
| Equity | 12,496 |
| Adjusted equity | 12,496 |
| **Purchase price of shares** | **12,496** |

**I Love Vols**

| Summary of acquired assets and liabilities | |
|---|---|
| Investment property | 36,620 |
| Other assets | 2,665 |
| Cash and cash equivalents | 660 |
| Equity | 12,496 |
| Deferred taxes | |
| Non-current debts | 25,438 |
| Other debt | 2,011 |
| Adjusted equity | 12,496 |
| **Purchase price of shares** | **12,496** |

### Prince – Antwerp (Belgium)

The second project to be contributed to the XL Fund concerns the redevelopment of the old student residence 'Ten Prinsenhove' in Antwerp. The project will be completed at the end of 2020 or beginning of 2021, on the basis of a long lease of 50 years, allowing it to be partially rented out for the next academic year. The Prince project is located in the heart of the student district in Antwerp and, with its 12 floors, towers far above all the surrounding buildings. The residence has 156 units and features all modern facilities including a 360° sky bar, gym, laundry facilities, living room, communal kitchens, yoga room, meeting and study room, and a roof terrace. Students, as well as guest professors, summer school students, PhD students and others, will be welcome here over the coming years. The redevelopment of this Antwerp landmark, centrally located on the UAntwerp city campus, can be seen as one of the last opportunities to realise new student housing in the centre of Antwerp. In addition to having its headquarters in Antwerp, Xior has been active on the Antwerp student rental market for many years, with other residences and a well-oiled local rental and management organisation, allowing immediate economies of scale to be realised.

The expected investment value amounts to EUR 18,750,000, with an expected gross yield of 5.24%. LIFE has provided a rent guarantee from September 2021 for a period of 5 years based on an average occupancy rate of 98%.

**6 and 30**

| Summary of acquired assets and liabilities | |
|---|---|
| Investment property | 12,401 |
| Other assets | 105 |
| Cash and cash equivalents | 8 |
| Equity | 7,090 |
| Exit tax | 1,033 |
| Non-current debts | 1,773 |
| Other debt | 2,618 |
| Adjusted equity | 7,090 |
| **Purchase price of shares** | **7,089** |

### ARC – Liège (Belgium)

ARC is part of a former university site located between the centre of Liège and the Sart-Tilman campus of the University of Liège, which is currently in full transition to a dynamic site encompassing living, education and leisure. This development involves 232 loft-style units aimed at students and young professionals, supplemented by no less than 2,000 m² of communal areas, including a living room, reading and study room, game and cinema room, gym and yoga room, spa with steam bath, laundry room and a sky lounge with roof terrace. The solar panels, heat pumps, balanced ventilation system and smart building technology make this residence a good example of a fully sustainable building.

This project is held in full ownership by the project company being taken over. The expected investment value amounts to EUR 29,950,000, with an expected gross yield of 5.47%. Completion of the entire project is expected in late 2020 or early 2021. LIFE will provide a partial rental guarantee during the ramp-up period of 2 years from April 2021, during which LIFE will support the XL Fund with the start-up of the commercialisation.

This top project in the lively student city of Liège reaffirms Xior's desire to expand in Wallonia and will even surpass the previously announced project in Namur as the first operational Xior building south of the language border.

**Val Benoit**

| Summary of acquired assets and liabilities | |
|---|---|
| Investment property | 19,549 |
| Other assets | 3 |
| Cash and cash equivalents | 2 |
| Equity | 5,227 |
| Exit tax | 819 |
| Non-current debts | 9,508 |
| Other debt | 4,000 |
| Adjusted equity | 5,227 |
| **Purchase price of shares** | **5,226** |

### Felix – Antwerp (Belgium) – Savelkoul

Surrounded by the parks of Wilrijk in a green oasis between Groenenborger Campus and Middelheim Park, this site currently serves as a Theology campus and has about 120 social student rooms. The existing buildings, developed by brutalist Paul Felix, are protected and will be thoroughly renovated. Additional student accommodation will also be created, bringing the total number of rooms to 203. In addition, investments will be made in a large common outdoor space and central meeting place in order to achieve the desired campus feeling and create an integrated community. This unique site will provide a seamless connection with the Groenenborger Campus of University of Antwerp and will provide a solution to the ever-growing demand for student housing in Wilrijk.

This development will take place on the basis of a long-term lease of 50 years. The expected investment value amounts to EUR 17,440,000, with an expected gross yield of 5.81% and an additional *earn-out* if additional units could be realised on this site. LIFE will rent the existing social student units from XL Fund on a *triple net* basis for a period of 12 months. Completion of the entire project is expected in 2022.

**Savelkoul**

| Summary of acquired assets and liabilities | |
|---|---|
| Investment property | 6,000 |
| Other assets | 70 |
| Cash and cash equivalents | 1 |
| Equity | 4,771 |
| Exit tax | 812 |
| Non-current debts | |
| Other debt | 488 |
| Adjusted equity | 4,771 |
| **Purchase price of shares** | **4,771** |

### Ariënsplein – Enschede (Netherlands)

Connect-U/Ariënsplein in Enschede (the Netherlands) is an excellent location for Xior, close to the city centre and public transport. Moreover, the presence of the Saxion educational institute (which considers this site to be strategic) makes the site an ideal base for students and their accommodation.

On 12 March 2018, Xior signed an agreement for the acquisition of a student complex consisting of 271 student rooms (and two education facilities rented out to Saxion University), in the former hospital located at Ariënsplein[11]. This student complex formed part of an old hospital site that was redeveloped by LIFE in various phases into a new city campus. Following this purchase in the first phase, XL Fund is now acquiring the remaining building elements of this development project and the entire 55,000 m² site will be reunited in one hand in full ownership, which can considerably facilitate the development process. These remaining parts include redevelopment of classrooms, additional residential units (young professionals), incubators, offices, co-working and support functions. Together with LIFE, over the next few months the strategic part for XL Fund (student accommodation, classrooms and starter residences, etc.) will be demarcated within this entire site and non-strategic parts will be prepared for redevelopment and sale.

The acquisition of the strategic part will, after completion of the sale of the non-strategic parts, have an expected initial yield of approximately 6.28% for an expected investment value of approximately EUR 16,000,000. The margin realised on the sale of the non-strategic parts will be shared 50/50 between XL Fund and LIFE. The completion dates and specific details regarding the redevelopment have yet to be determined..

**XL NL Coop 1**

| Summary of acquired assets and liabilities (100%) | |
|---|---|
| Investment property | 9,500 |
| Other assets | |
| Equity | |
| Deferred taxes | |
| Other debt | 9,500 |
| Adjusted equity | 0 |
| **Purchase price of shares** | **1** |

[11] See press release from 12 March 2018

### ACQUISITION OF DEVELOPMENT PROJECT IN HASSELT

On 18 May 2020, Xior acquired a development project on a prime site with a total of at least 157 units (final number to be determined after finalisation of the current permit process) at a prime location in Hasselt. This new-build student tower block with at least 10 floors is in a strategic location in Hasselt, on the campus of the PXL University of Applied Sciences and Arts. Once the permit obtained and on completion of the proposed development, this project will have a total investment value of approximately MEUR 17 and an expected initial return of approximately 6.0%. Full completion is scheduled for mid-November 2020, thereby adding a completely new and sustainable complex to Xior's portfolio in an exceptional location in a vibrant student city.

**Xior Campus Hasselt**

| Summary of acquired assets and liabilities (100%) | |
|---|---|
| Investment property | 433 |
| Other assets | 23 |
| Cash and cash equivalents | 25 |
| Equity | 68 |
| Deferred taxes | |
| Non-current debts | |
| Other debt | 413 |
| Adjusted equity | 68 |
| **Purchase price of shares** | **1,394** |

### ACQUISITION OF A STUDENT COMPLEX IN GRANADA

On 28 February 2020, Xior signed an agreement, subject to conditions precedent, on the acquisition of a new student residence located in Granada (Andalusia). The former 'colegio mayor', previously known as Loyola and strategically located on the University of Granada's Cartuja campus, has been redeveloped and expanded to become a residence with 347 units (354 beds). Completion and commissioning took place in June 2020, adding a brand-new complex to Xior's portfolio in one of the largest student cities in Spain. The operational company of the seller and developer of the project, Amro Estudiantes, will run the residence for the first two academic years based on a *triple net* lease. After this two-year period, Xior will take over operation. The total anticipated investment value for Xior stands at EUR 37 million, with an expected stabilised gross return of approximately 7%. This acquisition contributes to Xior's results from 18 June 2020, the date on which the acquisition was effectively completed.

**Terra Directorship**

| Summary of acquired assets and liabilities (100%) | |
|---|---|
| Investment property | 37,000 |
| Other assets | 163 |
| Equity | 16,830 |
| Non-current debts | 20,266 |
| Other debt | 67 |
| Adjusted equity | 16,830 |
| **Purchase price of shares** | **16,836** |

### ACQUISITION IN EINDHOVEN – 250 UNITS

On 30 January 2020, Xior acquired a redevelopment project in Eindhoven with an expected 250 independent student units. This transaction has an anticipated investment value of approximately MEUR 32 and is expected to have an initial yield of 6.0%. The completion and commissioning are planned for H2 2022, as the result of which a fully renovated complex will be added to Xior's portfolio. This office building, known as Boschdijk Veste, will be converted into a student residence equipped with all modern comforts. It is expected to consist of 250 individual student rooms, various common areas, an enclosed garden, parking for bicycles, and more. The building is currently let as an office, and will continue to generate income during the period expected to be required to obtain the necessary permits. The permit application and follow-up will be carried out by the vendors, with Xior benefiting from a buyback guarantee if the permit process cannot be concluded successfully.

**Stubis NL IV**

| Summary of acquired assets and liabilities (100%) | |
|---|---|
| Investment property | 14,000 |
| Other assets | |
| Equity | -786 |
| Deferred taxes | |
| Other debt | 14,787 |
| Adjusted equity | -786 |
| **Purchase price of shares** | **8,000** |

For the accounting treatment of these acquisitions, please refer to the principle for consolidation.

## 10.9.31 AVERAGE HEADCOUNT AND BREAKDOWN OF STAFFING COSTS

| | 31/12/2020 | 31/12/2019 | 31/12/2018 |
|---|---|---|---|
| Average headcount (in FTE) | 80.26 | 35.82 | 21 |
| Blue collars | 6 | 6 | 6 |
| White collars | 145 | 51 | 22 |
| Executive staff | 1 | 1 | 1 |
| Administrative staff | 23 | 12 | 3 |
| Commercial staff | 95 | 34 | 13 |
| Technical staff | 26 | 4 | 5 |
| | | | |
| **Staffing costs (in thousands of EUR)** | **4,199** | **1,887** | **1,199** |
| Remuneration and direct social benefits | 3,068 | 1,431 | 907 |
| Company social security contributions | 732 | 365 | 251 |
| Company contributions for non-compulsory insurance policies | 126 | 25 | 11 |
| Other staffing costs | 273 | 66 | 31 |





## 10.9.32 EVENTS AFTER THE BALANCE SHEET DATE

Please refer to *Chapter 5.5 of this Annual Report* for events after the balance sheet date.

There have been no other significant events since the closing of the financial year that have affected the annual financial statements.

## 10.9.33 SCOPE OF CONSOLIDATION

The following subsidiaries are part of Xior Student Housing NV's scope of consolidation on 31 December 2020:

| Name | Country | Share in the capital |
|---|---|---|
| Stubis BVBA | Belgium | 100 |
| Stratos KVK N.V. | Belgium | 100 |
| Xior Campus Hasselt NV. | Belgium | 100 |
| XL Fund BV | Belgium | 90 |
| 6 en 30 NV | Belgium | 90 |
| Val Benoit NV | Belgium | 90 |
| Savelkoul NV | Belgium | 90 |
| Patrimmonia Couronne - Franck NV | Belgium | 100 |
| Voskenslaan BV | Belgium | 100 |
| Docks Gent BV | Belgium | 100 |
| Xior Rotsoord B.V. | The Netherlands | 100 |
| Xior Student Housing NL B.V. | The Netherlands | 100 |
| Xior Student Housing NL 2 B.V. | The Netherlands | 100 |
| Xior Naritaweg B.V. | The Netherlands | 100 |
| Stubis NL B.V. | The Netherlands | 100 |
| STUBISNL IV B.V. | The Netherlands | 100 |
| Leeuwarden Tesselschadestraat B.V. | The Netherlands | 100 |
| All-In Annadal B.V. | The Netherlands | 100 |
| Xior-Karspeldreef Amsterdam BV | The Netherlands | 100 |
| Xior Groningen B.V. | The Netherlands | 100 |
| Amstelveen Laan van Kronenburg 2 B.V. | The Netherlands | 100 |
| Borgondo Facilities B.V. | The Netherlands | 100 |
| I Love Vols B.V. | The Netherlands | 90 |
| XL NL Cooperatie 1 U.A. | The Netherlands | 90 |
| XL NL Cooperatie 2 U.A. | The Netherlands | 90 |
| Xior Zernike Coöperatie U.A. | The Netherlands | 100 |
| VBRE Groningen B.V. | The Netherlands | 100 |
| VBRE Groningen Opco B.V. | The Netherlands | 100 |
| XSHPT Portugal S.A. | Portugal | 100 |

| | | |
|---|---|---|
| Uhub Investments Benfica S.A. | Portugal | 100 |
| Uhub Investments São João S.A. | Portugal | 100 |
| Uhub Operations S.A. | Portugal | 85 |
| Minerva Student Housing S.L. | Spain | 100 |
| Xior Quality Student Housing S.L. | Spain | 100 |
| I Love Barcelona Campus Besos S.L. | Spain | 100 |
| Mosquera Directorship S.L. | Spain | 80 |
| Xior Student Housing S.L. | Spain | 100 |
| Terra Directorship S.L. | Spain | 100 |
| **Joint Ventures** | | |
| Promgranjo S.L. | Portugal | 50 |
| Invest Drève St Pierre NV | Belgium | 50 |

Companies 100% held by holding XL Fund BV (90% subsidiary of Xior Student Housing NV)

31/12/2019

**Companies fully included in the consolidation**

| Name | Country | Share in the capital |
|---|---|---|
| Woonfront - Rotsoord B.V | The Netherlands | 100 |
| Xior Student Housing NL B.V. | The Netherlands | 100 |
| Xior Student Housing NL 2 B.V. | The Netherlands | 100 |
| Xior - Naritaweg B.V. | The Netherlands | 100 |
| Stubis BVBA | Belgium | 100 |
| Stubis NL B.V. | The Netherlands | 100 |
| Leeuwarden Tesselschadestraat B.V. | The Netherlands | 100 |
| Stratos KVK N.V. | Belgium | 100 |
| All-In Annadal B.V. | The Netherlands | 100 |
| Xior-Karspeldreef Amsterdam B.V. | The Netherlands | 100 |
| Xior Groningen B.V. | The Netherlands | 100 |
| Minerva Student Housing S.L. | Spain | 100 |
| Xior Quality Student Housing S.L. | Spain | 100 |
| I Love Barcelona Campus Bésos S.L. | Spain | 100 |
| Mosquera Directorship S.L. | Spain | 80 |
| Xior Student Housing S.L.U. | Spain | 100 |
| Amstelveen Laan van Kronenburg 2 B.V. | The Netherlands | 100 |
| XSHPT Portugal | Portugal | 100 |
| **Joint Ventures** | | |
| Promgranjo S.L. | Portugal | 50 |
| Uhub Benfica S.L. | Portugal | 40 |
| Uhub São João S.L. | Portugal | 25 |





## 10.9.34 DEBT RATIO

| Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Consolidated debt ratio (max. 65%)** | | |
| Total liabilities | 960,813 | 650,720 |
| Adjustments | -82,849 | -67,752 |
| Permitted hedging instruments | -26,530 | -15,467 |
| Deferred taxes – liabilities | -51,042 | -47,019 |
| Accruals and deferred payments | -5,277 | -5,266 |
| **Total debts according to the Royal Decree of 13 July 2014** | **877,964** | **582,968** |
| Total assets | 1,620,316 | 1,276,528 |
| Adjustments | 0 | 0 |
| Total assets according to the Royal Decree of 13 July 2014 | 1,620,316 | 1,276,528 |
| **Debt ratio (in %)** | **54.18%** | **45.67%** |

| Debt ratio | 31/12/2020 | 31/12/2019 |
|---|---|---|
| | 54.18% | 45.67% |

**Further notes on the evolution of the debt ratio**

The legislation on Regulated Real Estate Companies, more specifically Article 24 of the Royal Decree on Regulated Real Estate Companies, states that if the RREC's consolidated debt ratio exceeds 50%, it must prepare a financial plan with an implementation schedule describing the steps that will be taken to prevent the debt ratio rising above 65% of the consolidated assets. The Statutory Auditor will prepare a special report on this financial plan. This report will confirm that the auditor has verified that the plan's preparation method uses the correct economic foundations and the plan's figures correspond with the RREC's accounting figures.

The half-yearly and annual financial reports must specify how the financial plan was implemented in the relevant period and how the RREC will implement the plan in the future.

The financial plan and the Statutory Auditor's special report are submitted to the FSMA for information.

**Evolution of the debt ratio**

As at 31 December 2020, the consolidated debt ratio of Xior Student Housing NV was 54.18% as compared to 53.12% as at 30 June 2020. This is still above the 50% threshold. The Company strives towards a sound debt structure with a long-term debt ratio that does not exceed 55% (see also the Company's Financing Strategy in documents such as the IPO Prospectus, the 2019 Annual Report and the Securities Note of October 2019).

Xior Student Housing NV was recognised as a public regulated real estate company on 24 November 2015 and launched its IPO on 11 December 2015. On 31 December 2015, the consolidated debt ratio was 45.01%. On 31 December 2016, the consolidated debt ratio was 50.69%, on 31 December 2018 49.32% and on 31 December 2019 45.67%. As a result of a public capital increase in October 2019, the debt ratio had temporarily fallen to 45.47%. As a result of the implementation of Xior Student Housing NV's well-known, committed growth strategy and with the planned implementation of the acquisition pipeline that will increase the portfolio to approximately MEUR 1,800 million in the short term, the debt ratio has exceeded 50% since 30 June 2020.

Based on the debt ratio of 54.18% as at 31 December 2020, Xior Student Housing NV still has additional investment potential of approximately MEUR 500 million without exceeding the maximum debt ratio of 65%. With a current committed pipeline worth approximately MEUR 104 million, this is therefore significantly below the legal limit of 65%. There is still room for about MEUR 235 million of new investments before the 60% threshold is crossed.

The appraisal of the property portfolio also has an impact on the debt ratio. Taking into account the capital base on 31 December 2020, the maximum debt ratio of 65% would be exceeded only if the value of the property portfolio were to fall by approximately MEUR 270 million, which is about 17% of the MEUR 1,556 million property portfolio on 31 December 2020.

In Xior Student Housing NV's opinion, the current debt ratio is at an acceptable level and there is still a sufficient margin to absorb any decreases in property value.

**Expected evolution of the debt ratio**
Based on the current financial plan and taking into account the acquisitions that will be completed during 2021, Xior Student Housing NV is expecting a debt ratio of around 56% compared with 54.18% on 31 December 2020, barring any unforeseen circumstances.

This estimate takes into account the following elements:

- The implementation of the acquisition pipeline
- The retained earnings taking into account the expected profit forecast for 2021 and the dividend payment for the financial year of 2020;
- A stable valuation of the RREC's property portfolio.

However, these expectations may be affected by unforeseen circumstances. Please refer to the chapter on risk management in this Annual Report in this regard.

**Conclusion**
The Board of Directors of Xior Student Housing NV believes that the debt ratio will not exceed 65%. Based on the current economic and real estate trends, planned investments and expected evolution of the public RREC's equity, the Board of Directors of Xior Student Housing has decided to launch a public capital increase on 24 February 2021.

The goal is to reduce the debt ratio to a level below 50% and to continue to strive for a balanced growth of both equity and debt.

Xior Student Housing NV will monitor the evolution of the debt ratio closely. If certain events were to require an adjustment of the public RREC's policy, the Company will not fail to make the adequate adjustments, which will result in mandatory reporting where applicable, as required by the statutory disclosure regulations the Company must comply with.

## 10.9.35 OFF-BALANCE SHEET RIGHTS AND OBLIGATIONS

A number of properties were acquired from third parties in the course of 2016, 2017, 2018, 2019 and 2020. The sellers provided (partial) rental guarantees for a number of these properties. The term of these rental guarantees varies from 12 to 36 months starting from the transfer date. More specifically, the Company has received a rental or return guarantee for the properties on Tongerseweg in Maastricht (ended in September 2017), Kronehoefstraat in Eindhoven (ended in September 2018), Tramsingel 27 in Breda (ended in October 2017), Willem Dreeslaan in Utrecht, Spoorstraat in Venlo, Kwietheuvel in Venlo, Antonia Veerstraat in Delft (ended in September 2018), Waldorpstraat in The Hague (ended in September 2018), Campus Verbeekstraat in Leiden (ended in December 2018), Ariënsplein in Enschede (ended in September 2019), Naritaweg in Amsterdam (ended in April 2019), Rotsoord in Utrecht (ended in August 2019), Avenue d'Auderghem/Oudergemlaan in Etterbeek (ended in October 2018), Tesselschadestraat in Leeuwarden (ended in December 2018), Annadal in Maastricht (ended in December 2020), Duivendaal in Wageningen (ended in 2019), Alma Student (ended in October 2020), Roxi in Zaventem, Campus Besos in Barcelona, 365 Rooms in Brussels, 6 and 30 in Antwerp, Val Benoit in Liège, Katzensprung in Vaals, Uhub São João in Porto and Uhub Benfica in Lisbon.

## 10.9.36 LEGAL AND ARBITRATION PROCEEDINGS

On 28 October 2015, a company that was acquired by the Company as part of the IPO following a merger was sued by non-voluntary third-party intervention before the Commercial Court of Leuven in the context of a dispute regarding a real estate project implementation contract. The dispute does not relate to the property belonging to the Company's portfolio.

The plaintiff who sued by non-voluntary third-party intervention and indemnification has now waived the claim. During the procedure, the original defendant also filed an indemnification claim against the Company. By judgement of 6 April 2017, the Commercial Court of Leuven ruled that the agreement included in the relevant contract was terminated by mutual agreement between the plaintiff and the original defendant and ordered the latter to pay a termination fee in favour of the plaintiff. The claim of the original defendant against the Company was rejected as unfounded by the court.

In a petition on 12 July 2017, the original defendant – now the appellant – lodged an appeal against the judgement of the Commercial Court of Leuven on 6 April 2017. The claims as set out in the first instance were taken on by the respective parties. All conclusions have now been exchanged between the parties and the case is fully ready to go to court. However, no date has yet been set for the case to appear before the Court of Appeal. In the meantime, the case has been assigned to the waiting list of the 20th Chamber of the Court of Appeal in Brussels. The presumed court date will be around December 2022.

Although the decision of the court of appeal cannot be predicted, the Company believes that the defence against the appellant's claim for damages has a realistic chance of success on appeal, based on the judgement of the Commercial Court of Leuven on 6 April 2017. All available legal remedies will be pursued if necessary.

The possible negative impact of this case will always be limited to the claimed amount (KEUR 371 plus interest). As it is understood that the Company is contractually protected against this anyway, a possible negative outcome (in an unexpected worst case scenario) can de facto be considered immaterial.

In addition, on 4 November 2019, the Company was summoned before the Commercial Court of Antwerp, Antwerp Division, with respect to a dispute concerning the acquisition or not by the Company of 100% of the shares in a target company owning a specific property in Antwerp. By judgement of 1 February 2021, the claim of the counterparty was dismissed as unfounded. The counterparty has indicated that it will accept this judgement.

The main objective of the target company's shareholders is the execution in kind of the purchase agreement. On a subsidiary basis, the target company's shareholders provisionally claim damages of EUR 210,000 for an alleged breach of contract. In addition, the Company also claims the costs of the proceedings, estimated at the costs of summons (EUR 315.7), a litigation fee of EUR 18,000 and the rolling right of EUR 165.

If the Company is forced to execute the purchase agreement in kind, this would, according to the target company's shareholders, mean that the Company would have to pay a purchase price of EUR 3,500,000 (partly by taking over a current account of one of the target company's shareholders), in exchange for the shares (and thus indirectly the ownership of the real estate in Antwerp). Without being able to predict the final outcome of this lawsuit, the Company is of the opinion that, with its arguments, it has sufficient chances of success to have the counterparty's claim rejected. The fact that the Company strongly contests the counterparty's claims is further reinforced by the Company filing a counterclaim against the counterpart for breach of the relevant contractual provisions. The compensation resulting from the counterclaim was provisionally estimated at EUR 49,623.76.

In addition to these two legal proceedings, the Company is also involved in another (almost completed) legal procedure, in which it is also a defendant. On 12 October 2020, the Company was summoned by the leaseholder of one of its main retail properties to appear before the Commercial Court of Antwerp, Antwerp division. This leaseholder, who, as a result of the Covid-19 crisis, has liquidity problems (with a significant arrears of the ground rent in respect of the Company as a result) and for which legal reorganisation proceedings have been opened before the Commercial Court of Antwerp, Antwerp section, sued the Company to obtain, in principle, the nullity of the leasehold agreement on account of alleged fraud on the part of the Company and, in secondary order, to obtain an adjustment to the periodic payment of the ground rent in accordance with the current market value of the property. Given that the Company has very good arguments to refute these claims (and to institute a possible counter-claim), negotiations were held between the Company and the defendant - immediately after receipt of the summonses - with a view to obtaining a definitive termination of the dispute. On 8 December 2020, a settlement in principle was reached between the Company and the plaintiff whereby, in addition to the amicable termination of the ground lease agreement (and the commercial lease) for the retail property in the second quarter of 2021, a larger than initially estimated part of the outstanding ground leasehold can be recovered by the Company. As a final part of the settlement agreement principle, the plaintiff party undertook to definitively and irrevocably waive the legal claim filed. The Company is confident that the settlement agreement in principle will be confirmed in a final settlement agreement at the latest at the beginning of the second month of 2021. However, the effective payment of the amount provided for in the settlement agreement will continue to depend (and follow the pace) on the implementation of the leaseholder's reorganisation plan, which was approved by a judgment on 18 December 2020.

On 23 December 2020, the Company was informed of a claim in which 45 (mainly Spanish) students of the Xior Picasso - Xior Vélazquez residence in Villaviciosa de Odón (Madrid) have lodged a collective claim against Mosquera Directorship S.L. (an 80% subsidiary of Xior). They claim a total of EUR 148,072.55 for an alleged lack of service during the first lockdown as well as a situation of force majeure due to the COVID-19 crisis. In particular, they claimed the rent back from 10 March until 30 June 2020, plus interest and legal costs. Xior has set up a provision for this first collective claim in the amount of the full amount claimed.

On 28 January 2021, the Company was informed of a claim in which a group of 36 students from the same residence as the one mentioned above filed a second collective claim against Mosquera Directorship S.L. On the same grounds as the one mentioned above, they claim EUR 123,217.82. In particular, they are claiming rent back from 10 March until 30 June 2020, as well as the securities that have not been returned, plus interest and legal costs. No provision has been made for this second collective claim by Xior yet. This provision will be created in Q1 2021.

The legal proceedings in which the Company acted as plaintiff, mentioned in Chapter 10.9.36 (p. 310) of the Annual Financial Report 2019, were concluded in 2020 with a settlement, by payment of an indemnity to the Company.

The Board of Directors declares that there are no further government interventions, lawsuits or arbitration cases that could have – or have recently had – a significant effect on Xior's financial position or profitability. It also declares that as far as it is aware, there are no circumstances or facts that could trigger such government interventions, lawsuits or arbitration cases.

## 10.9.37 IMPACT COVID-19 ON THE 2020 RESULTS

- Impact on the 31 December 2020 results: Covid-19 has had a limited impact on the 2020 results. In the different countries where Xior is active, the organisation has given commercial compensation to the students, depending on the case, in the form of a discount on the rent or via a discount on the (service) costs. In addition, extra write-offs on trade receivables were also provided. We refer to the consolidated income statement - rental discounts and impairment losses on trade receivables as part of the net rental result for the impact on the 2020 result.
- Financing: as at 31 December 2020, the debt ratio is 54.18%. In addition, Xior has sufficient committed credit lines to meet capex obligations for the coming year.
- Valuations: the impact on the valuation of the real estate has remained limited, only in Spain and Portugal the Valuation experts have included the changed market conditions in the determination of the Fair Value of the real estate. For this reference is made to *section 10.9.5 of this Annual Report.*
- Update Q4 2020: Reference is made to *Section 5.5.1 of this Annual Report*.

## 10.9.38 STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

**STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY XIOR STUDENT HOUSING NV ON THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2020**

In the context of the statutory audit of the Consolidated Financial Statements of Xior Student Housing NV (the "Company") and its subsidiaries (together "the Group"), we present to you our statutory auditor's report. This contains our report on the Consolidated Financial Statements as well as the other disclosures required by legislation and regulations. It forms one whole and is indivisible.

We were appointed as Statutory Auditor by the Annual General Meeting of 17 May 2018, in accordance with the proposal of the Board of Directors made on the recommendation of the Audit Committee. Our mandate expires on the date of the Annual General Meeting that will consider the financial statements for the year ended 31 December 2020. We have conducted the statutory audit of the Consolidated Financial Statements of the Company for six consecutive financial years.

**Report on the Consolidated Financial Statements**

*Unqualified Opinion*

We have audited the Group's Consolidated Financial Statements which comprise the consolidated balance sheet as of 31 December 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as notes including the important accounting principles for financial statements. These Consolidated Financial Statements show a consolidated balance sheet total of EUR '000' 1,620,316 and the consolidated income statement ends with a net result of EUR '000' -41,773.

In our opinion, the Consolidated Financial Statements give a true and fair view of the assets and the Group's consolidated financial position on 31 December 2020 and its consolidated financial result and consolidated cash flows for the financial year ending on that date, in accordance with the International Financial Reporting Standards ("IFRS") as approved by the European Union and with the legal and regulatory requirements applicable in Belgium.

*Basis for our unqualified opinion*

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium. In addition, we have adopted the IAASB approved international standards on auditing that are applicable at the current cut-off date and have not yet been approved at national level. Our responsibilities under these standards are further described in the section "Responsibilities of the Statutory Auditor for the Audit of the Consolidated Financial Statements" of our report. We have complied with all ethical requirements relevant to the audit of the consolidated financial statement in Belgium, including those relating to independence.

We have obtained the clarification and information required for our audit from the Company's Board of Directors and employees.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Key points of the audit*

The principal audit concerns those matters that in our professional opinion were the most significant in the audit of the Consolidated Financial Statements for the current reporting period. These matters are considered in the context of our audit of the financial statements as a whole and in forming our opinion on them, and we do not express an opinion on them separately.

VALUATION OF THE INVESTMENT PROPERTY

**Key point of the audit:**

As of 31 December 2020, the company has recognised investment properties on the assets side of its balance sheet for a total amount of EUR '000' 1,555,779. IFRS standards require investment properties to be carried at fair value. The determination of that fair value depends heavily on a number of selected parameters. The most important are the rental value of the property, the occupancy rate, the discount rate and the estimated costs for maintenance and repairs.

In accordance with the legislation applicable to regulated real estate companies, the investment properties are valued by an external valuation expert.

In their report of 31 December 2020, the external surveyors in Spain and Portugal drew attention to a significant uncertainty about the effects of the coronavirus on the future valuation of real estate. This uncertainty relates mainly to the future macroeconomic consequences of the current Covid-19 pandemic, with regard to potential treasury and continuity problems of tenants and, in the longer term, the relationship between supply and demand for student housing real estate and the resulting risk of vacancy.

The valuation of investment properties is a key issue in our audit of the Consolidated Financial Statements, both because of their significance in the financial statements and because of the subjective nature of the valuation process.

For more information regarding the valuation of the investment properties, please refer to notes 10.6.7 and 10.9.8 of these Consolidated Financial Statements.

**How was this key point dealt with in the context of our audit?**

We assessed the reliability of the external valuation and the reasonableness of the parameters used on the basis of the work described below:

- We assessed the objectivity, independence and competence of the external valuation experts.
- For a selection of buildings, we tested the reasonableness of parameters used by comparing the parameters of the external valuation experts with those used by our internal valuation experts. If these parameters differed significantly from those used by the external valuation expert, the impact of this difference on the fair value was determined, on the one hand, on the individual investment property and, on the other hand, on the entire property portfolio.
- In addition, we have analysed the reasonableness of the underlying parameters for the changes in the fair value compared to 31 December 2019.
- We tested whether the uncertainty referred to by the appraisers was adequately explained in the annual report and in the notes to the consolidated financial statements.
- Finally, we have assessed the compliance of the information included in the notes to the Consolidated Financial Statements with IFRS standards.

*Board of Directors' responsibilities for the preparation of the Consolidated Financial Statements*

The Board of Directors is responsible for the preparation and fair presentation of Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the legal and statutory and regulatory requirements applicable in Belgium, and for such internal control as the Board of Directors determines is necessary to enable the preparation of Consolidated Financial Statements which are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for assessing the ability of the Group to continue as a going concern, explaining, where appropriate, circumstances relating to continuity and the assumptions relating thereto, unless the Board of Directors intends to dissolve the Group or cease trading, or unless it has no realistic alternative but to do so.

*Statutory Auditor's responsibilities for the audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance that the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report which includes our opinion. A reasonable level of assurance is a high level of assurance but does not guarantee that an audit carried out in accordance with the ISA would always detect a material misstatement where one exists. Variations may occur due to fraud or error and are considered to be significant if they could reasonably be expected to affect, individually or in combination, the economic decisions made by users on the basis of these Consolidated Financial Statements.

In carrying out our audit, we comply with the legal, regulatory and normative framework applicable to the audit of Consolidated Financial Statements in Belgium. However, a statutory audit does not provide any certainty about the Company's future viability or about the efficiency or effectiveness with which the Board of Directors has or will take control of the Company's business operations.

As part of an audit conducted in accordance with the ISAs, we apply professional judgement and maintain a professionally critical attitude throughout the audit. We also carry out the following work:

- Identifying and estimating the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, determining and performing the audit procedures that are appropriate in the circumstances, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material anomaly is greater if that anomaly is the result of fraud than if it is the result of errors, because fraud may involve conspiracy, forgery, deliberate failure to record transactions, deliberate misrepresentation or violation in the internal audit.
- Obtaining an understanding of the internal audit relevant to the audit, with the objective of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal audit.
- Evaluating the appropriateness of accounting principles used for financial reporting and evaluating the reasonableness of accounting estimates made by the Board of Directors and related disclosures.
- Concluding whether the going concern assumption used by the Board of Directors is acceptable and concluding, based on the audit evidence obtained, whether there is any material uncertainty with respect to events or circumstances that could cause significant doubt about the Group's ability to continue as a going concern. If we conclude that there is significant uncertainty, we are required to draw attention to the related notes for the Consolidated Financial Statements in our auditor's report, or, if such notes are inadequate, to amend our opinion. Our conclusions are based on audit evidence up to the date of our audit report. However, future events or circumstances may result in the Group no longer being able to continue as a going concern.
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and whether the Consolidated Financial Statements present the underlying transactions and events in a manner that gives a true and fair view.
- Obtaining sufficient and appropriate audit evidence about the financial information of the entities or businesses within the Group in order to express an opinion on the Consolidated Financial Statements. We are responsible for the management, supervision and execution of the group audit. We remain solely responsible for our opinion.

We communicate with the Board of Directors , among others, regarding the planned scope and timing of the audit and on the significant audit findings, including any significant failings in the internal audit that we identify in the course of our audit.

We also provide the Board of Directors and the Audit Committee with a declaration that we have complied with the relevant ethical rules on independence, and we communicate with them on all relationships and other matters that may reasonably affect our independence and, where applicable, on the related measures to ensure our independence.

Based on the matters communicated to the Board of Directors , we identify the matters that were most significant in the audit of the Consolidated Financial Statements for the current reporting period and that therefore constitute the key audit topics in our audit. We describe these matters in our report, unless disclosure is prohibited by law or regulation.

**Other legislative and regulatory requirements**

*Responsibilities of the Board of Directors*

The Board of Directors is responsible for the preparation and content of the report on the Consolidated Financial Statements and the other information included in the report on the Consolidated Financial Statements.

*Responsibilities of the statutory auditor*

In the framework of our mandate and in accordance with the Belgian additional standard to the international standards (ISAs) applicable in Belgium, it is our responsibility to verify, in all material respects, the report of the Consolidated Financial Statements and other information included in the report on the consolidated report and to report on these matters.





*Aspects relating to the annual report on the Consolidated Financial Statements and other information included in the annual report on the Consolidated Financial Statements*

Having performed specific work for the annual report, we are of the opinion that this annual report is consistent with the Consolidated Financial Statements for the same financial year and has been prepared in accordance with Article 3:32 of the Companies and Associations Code.

In implementation of Article 37 Section 2 of the Law of 12 May 2014 "on regulated real estate companies" and in accordance with Article 8 of the Royal Decree of 13 July 2014 "with respect to regulated real estate companies", the Company's transactions with the parties described in Article 37 Section 1 of the aforementioned Law have been disclosed in the "Conflicts of interest" section of the annual financial report.

In the context of our audit of the Consolidated Financial Statements, we are also responsible for considering, in particular on the basis of the knowledge obtained during the audit, whether the annual report on the Consolidated Financial Statements and the other information included in the annual report on the Consolidated Financial Statements should be qualified, specifically the following chapters of the annual report:

- Risk management;
- Message to the shareholders;
- Key figures on 31 December 2020;
- Strategy and operating activities;
- Management report;
- Corporate governance;
- The Xior share;
- Property report;
- Corporate social responsibility;
- Statements;
- Permanent document;

contain any material misstatement or information that is incorrectly stated or otherwise misleading. In the light of the work we have carried out, we have no material deviations to report.

The "other information" as listed above does not include the sections on "Corporate Social Responsibility" and "Message to the shareholders" as these will only be made available after the date of our report. If, on reading these sections after they have been made available, we should find material discrepancies, we should communicate this to the Board of Directors.

*Statements concerning independence*

- Our statutory auditor's office and our network did not carry out any assignments incompatible with the statutory audit of the Consolidated Financial Statements and our statutory auditor's office remained independent of the Group during the course of our mandate.
- The fees for the additional tasks that are compatible with the statutory audit of the consolidated annual accounts referred to in Article 3:65 of the Companies and Associations Code have been correctly stated and broken down in the notes to the Consolidated Financial Statements.

*Other statements*

- This report is consistent with our additional statement to the Audit Committee as referred to in Article 11 of Regulation (EU) No 537/2014.

Sint-Stevens-Woluwe, 23 February 2021

**The statutory auditor**
PwC Bedrijfsrevisoren B.V.
Represented by

**Damien Walgrave**
Statutory Auditor

**STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY XIOR STUDENT HOUSING NV ON THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2019**

In the context of the statutory audit of the Consolidated Financial Statements of Xior Student Housing NV (the "Company") and its subsidiaries (together "the Group"), we present to you our statutory auditor's report. This contains our report on the Consolidated Financial Statements as well as the other disclosures required by legislation and regulations. It forms one whole and is indivisible.

We were appointed as Statutory Auditor by the Annual General Meeting of 17 May 2018, in accordance with the proposal of the Board of Directors made on the recommendation of the Audit Committee. Our mandate expires on the date of the Annual General Meeting that will consider the financial statements for the year ended 31 December 2020. We have conducted the statutory audit of the Consolidated Financial Statements of the Company for five consecutive financial years.

**Report on the Consolidated Financial Statements**

*Unqualified Opinion*

We have audited the Group's Consolidated Financial Statements which comprise the consolidated balance sheet as of 31 December 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as notes including the important accounting principles for financial statements. These Consolidated Financial Statements show a consolidated balance sheet total of EUR '000' 1,276,529 and the consolidated income statement ends with a net result of EUR '000' 7,659.

In our opinion, the Consolidated Financial Statements give a true and fair view of the assets and the Group's consolidated financial position on 31 December 2019 and its consolidated financial result and consolidated cash flows for the financial year ending on that date, in accordance with the International Financial Reporting Standards ("IFRS") as approved by the European Union and with the legal and regulatory requirements applicable in Belgium.

*Basis for our unqualified opinion*

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium. In addition, we have adopted the IAASB approved international standards on auditing that are applicable at the current cut-off date and have not yet been approved at national level. Our responsibilities under these standards are further described in the section "Responsibilities of the Statutory Auditor for the Audit of the Consolidated Financial Statements" of our report. We have complied with all ethical requirements relevant to the audit of the consolidated financial statement in Belgium, including those relating to independence.

We have obtained the clarification and information required for our audit from the Company's Board of Directors and employees.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Emphasis on a particular matter – Event after the date of closure of the financial year*

With regard to the Covid-19 pandemic, we would like to draw your attention to point 5.5 of the annual report and note 10.9.32 of the consolidated financial statements ("Events occurring after the balance sheet date"). In this report, the board of directors explains its opinion that the consequences of this pandemic could have a material impact on the Company's business operations in 2020, but that they do not have a material impact on the Company's financial position as of 31 December 2019. We do not express any reservations in our opinion on this matter.

*Key points of the audit*

The principal audit concerns those matters that in our professional opinion were the most significant in the audit of the Consolidated Financial Statements for the current reporting period. These matters are considered in the context of our audit of the financial statements as a whole and in forming our opinion on them, and we do not express an opinion on them separately.

**VALUATION OF THE INVESTMENT PROPERTY**

**Key point of the audit:**

As of 31 December 2019, the company has recognised investment properties on the assets side of its balance sheet for a total amount of EUR '000' 1,190,791. IFRS standards require investment properties to be carried at fair value. The determination of that fair value depends heavily on a number of selected parameters. The most important are the rental value of the property, the occupancy rate, the discount rate and the estimated costs for maintenance and repairs.

In accordance with the legislation applicable to regulated real estate companies, the investment properties are valued by an external valuation expert.

The valuation of investment properties is a key issue in our audit of the Consolidated Financial Statements, both because of their significance in the financial statements and because of the subjective nature of the valuation process.

For more information regarding the valuation of the investment properties, please refer to notes 10.6.4 and 10.6.7 of these Consolidated Financial Statements.

**How was this key point dealt with in the context of our audit?**

We assessed the reliability of the external valuation and the reasonableness of the parameters used on the basis of the work described below:

- We assessed the objectivity, independence and competence of the external valuation experts.
- For a selection of buildings, we tested the reasonableness of parameters used by comparing the parameters of the external valuation experts with those used by our internal valuation experts. If these parameters differed significantly from those used by the external valuation expert, the impact of this difference on the fair value was determined, on the one hand, on the individual investment property and, on the other hand, on the entire property portfolio.
- In addition, we have analysed the reasonableness of the underlying parameters for the changes in the fair value compared to 31 December 2018.
- Finally, we have assessed the compliance of the information included in the notes to the Consolidated Financial Statements with IFRS standards.

*Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements*

The Board of Directors is responsible for the preparation and fair presentation of Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the legal and statutory and regulatory requirements applicable in Belgium, and for such internal control as the Board of Directors determines is necessary to enable the preparation of Consolidated Financial Statements which are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for assessing the ability of the Group to continue as a going concern, explaining, where appropriate, circumstances relating to continuity and the assumptions relating thereto, unless the Board of Directors intends to dissolve the Group or cease trading, or unless it has no realistic alternative but to do so.

*Statutory Auditor's responsibilities for the audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance that the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report which includes our opinion. A reasonable level of assurance is a high level of assurance but does not guarantee that an audit carried out in accordance with the ISA would always detect a material misstatement where one exists. Variations may occur due to fraud or error and are considered to be significant if they could reasonably be expected to affect, individually or in combination, the economic decisions made by users on the basis of these Consolidated Financial Statements.

In carrying out our audit, we comply with the legal, regulatory and normative framework applicable to the audit of Consolidated Financial Statements in Belgium. However, a statutory audit does not provide any certainty about the Company's future viability or about the efficiency or effectiveness with which the Board of Directors has or will take control of the Company's business operations.

As part of an audit conducted in accordance with the ISAs, we apply professional judgement and maintain a professionally critical attitude throughout the audit. We also carry out the following work:

- Identifying and estimating the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, determining and performing the audit procedures that are appropriate in the circumstances, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material anomaly is greater if that anomaly is the result of fraud than if it is the result of errors, because fraud may involve conspiracy, forgery, deliberate failure to record transactions, deliberate misrepresentation or violation in the internal audit.
- Obtaining an understanding of the internal audit relevant to the audit, with the objective of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal audit.
- Evaluating the appropriateness of accounting principles used for financial reporting and evaluating the reasonableness of accounting estimates made by the Board of Directors and related disclosures.
- Concluding whether the going concern assumption used by the Board of Directors is acceptable and concluding, based on the audit evidence obtained, whether there is any material uncertainty with respect to events or circumstances that could cause significant doubt about the Group's ability to continue as a going concern. If we conclude that there is significant uncertainty, we are required to draw attention to the related notes for the Consolidated Financial Statements in our auditor's report, or, if such notes are inadequate, to amend our opinion. Our conclusions are based on audit evidence up to the date of our audit report. However, future events or circumstances may result in the Group no longer being able to continue as a going concern.
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and whether the Consolidated Financial Statements present the underlying transactions and events in a manner that gives a true and fair view.
- Obtaining sufficient and appropriate audit evidence about the financial information of the entities or businesses within the Group in order to express an opinion on the Consolidated Financial Statements. We are responsible for the management, supervision and execution of the group audit. We remain solely responsible for our opinion.

We communicate with the Board of Directors , among others, regarding the planned scope and timing of the audit and on the significant audit findings, including any significant failings in the internal audit that we identify in the course of our audit.

We also provide the Board of Directors and the Audit Committee with a declaration that we have complied with the relevant ethical rules on independence, and we communicate with them on all relationships and other matters that may reasonably affect our independence and, where applicable, on the related measures to ensure our independence.

Based on the matters communicated to the Board of Directors , we identify the matters that were most significant in the audit of the Consolidated Financial Statements for the current reporting period and that therefore constitute the key audit topics in our audit. We describe these matters in our report, unless disclosure is prohibited by law or regulation.

**Other legislative and regulatory requirements**

*Responsibilities of the Board of Directors*

The Board of Directors is responsible for the preparation and content of the report on the Consolidated Financial Statements and the other information included in the report on the Consolidated Financial Statements.

*Responsibilities of the statutory auditor*

In the framework of our mandate and in accordance with the Belgian additional standard to the international standards (ISAs) applicable in Belgium, it is our responsibility to verify, in all material respects, the report of the Consolidated Financial Statements and other information included in the report on the consolidated report and to report on these matters.

*Aspects relating to the annual report on the Consolidated Financial Statements and other information included in the annual report on the Consolidated Financial Statements*

NHaving performed specific work for the annual report, we are of the opinion that this annual report is consistent with the Consolidated Financial Statements for the same financial year and has been prepared in accordance with Article 3:32 of the Companies and Associations Code.

In the context of our audit of the Consolidated Financial Statements, we are also responsible for considering, in particular on the basis of the knowledge obtained during the audit, whether the annual report on the Consolidated Financial Statements and the other information included in the annual report on the Consolidated Financial Statements should be qualified, specifically the following chapters of the annual report:

- Risk management;
- Message to the shareholders;
- Key figures on 31 December 2019;
- Strategy and operating activities;
- Management report;
- Corporate governance;
- The Xior share;
- Property report;
- Corporate social responsibility;
- Statements;
- Permanent document;

contain any material misstatement or information that is incorrectly stated or otherwise misleading. In the light of the work we have carried out, we have no material deviations to report.

*Statements concerning independence*

- Our statutory auditor's office and our network did not carry out any assignments incompatible with the statutory audit of the Consolidated Financial Statements and our statutory auditor's office remained independent of the Group during the course of our mandate.
- The fees for the additional tasks that are compatible with the statutory audit of the consolidated annual accounts referred to in Article 3:65 of the Companies and Associations Code have been correctly stated and broken down in the notes to the Consolidated Financial Statements.

*Other statements*

- This report is consistent with our additional statement to the Audit Committee as referred to in Article 11 of Regulation (EU) No 537/2014.

Sint-Stevens-Woluwe, 20 April 2020

The statutory auditor
PwC Bedrijfsrevisoren B.V.
Represented by

Damien Walgrave
Statutory Auditor

**STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF XIOR STUDENT HOUSING NV ON THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2018**

In the context of the statutory audit of the Consolidated Financial Statements of Xior Student Housing NV (the "Company") and its subsidiaries (together "the Group"), we present to you our statutory auditor's report. This contains our report on the Consolidated Financial Statements as well as the other disclosures required by law and regulations. It forms one whole and is indivisible.

We were appointed as Statutory Auditor by the Annual General Meeting of 17 May 2018 on the proposal of the Board of Directors on the recommendation of the Audit Committee. Our mandate expires on the date of the Annual General Meeting that will consider the financial statements for the year ended 31 December 2020. We have conducted the statutory audit of the Consolidated Financial Statements of Xior Student Housing NV for four consecutive financial years.

**Report on the Consolidated Financial Statements**

*Unqualified Opinion*

We have audited the Consolidated Financial Statements of Xior Student Housing NV. These Consolidated Financial Statements comprise the consolidated balance sheet as of 31 December 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as notes including the important accounting policies for financial statements. The total of the consolidated balance sheet amounts to EUR '000' 861,752 and the total consolidated income statement shows earnings for the year of EUR '000' 16,105.

In our opinion, the Consolidated Financial Statements give a true and fair view of the assets and the Group's consolidated financial position on 31 December 2018 and its consolidated financial result and consolidated cash flows for the financial year ending on that date, in accordance with the International Financial Reporting Standards ("IFRS") as approved by the European Union and implemented by the Royal Decree of 13 July 2014, with regard to regulated real estate companies and with the legal and regulatory requirements applicable in Belgium.

*Basis for our unqualified opinion*

We conducted our audit in accordance with International Standards on Auditing ("ISA") as applicable in Belgium. In addition, we have adopted the international standards on auditing as adopted by the IAASB for the financial years from 31 December 2018, which have not yet been adopted at the national level. Our responsibilities under these standards are further described in the section "Responsibilities of the Statutory Auditor for the Audit of the Consolidated Financial Statements" of our report. We have complied with all ethical requirements relevant to the audit of Consolidated Financial Statements in Belgium, including those relating to independence.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Key points of the audit*

The key points of our audit concern those matters that in our professional opinion were the most significant in the audit of the Consolidated Financial Statements for the current reporting period. These matters have been considered in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion on them, and we do not express an opinion on them separately.

VALUATION OF THE INVESTMENT PROPERTY

**Key point of the audit:**

As of 31 December 2018, the company has recognised investment properties on the assets side of its balance sheet for a total amount of EUR '000' 814,908. IFRS standards require investment properties to be carried at fair value. The determination of that fair value depends heavily on a number of selected parameters. The most important are the rental value of the property, the occupancy rate, the discount rate and the estimated costs for maintenance and repairs.

In accordance with the legislation applicable to regulated real estate companies, the investment properties are valued by an external valuation expert.

The valuation of investment properties is a key issue in our audit of the Consolidated Financial Statements, both because of their significance in the financial statements and because of the subjective nature of the valuation process.

For more information regarding the valuation of the investment properties, please refer to notes 10.6.4 and 10.6.7 of these Consolidated Financial Statements.

**How was this key point dealt with in the context of our audit?**

We assessed the reliability of the external valuation and the reasonableness of the parameters used on the basis of the work described below:

- We assessed the objectivity, independence and competence of the external valuation experts.
- For a selection of buildings, we tested the reasonableness of parameters used by comparing the parameters of the external valuation experts with those used by our internal valuation experts. If these parameters differed significantly from those used by the external valuation expert, the impact of this difference on the fair value was determined, on the one hand, based on the individual investment property and, on the other hand, based on the entire property portfolio.
- In addition, we have analysed the reasonableness of the underlying parameters for the most significant changes in the fair value compared to 31 December 2017.
- Finally, we have assessed the compliance of the information included in the notes to the Consolidated Financial Statements with IFRS standards.

VALUATION OF FINANCIAL DERIVATIVES

**Key point of the audit**

In order to hedge the interest rate risk on the credits, Xior Student Housing NV has concluded financial derivatives with a total nominal value of EUR '000' 503,000. IFRS standards require financial derivatives to be recognised at their fair value.

Since the fair value of the financial derivatives is determined based on a complex financial model and financial parameters (see notes 10.9.20 and 10.9.22 of the Consolidated Financial Statements), we consider the valuation of the financial derivatives as a key audit item.

**How was this key point dealt with in the context of our audit?**

We have obtained confirmation letters from the banks with the aim of validating the existence and completeness of the contracts as well as their valuation on 31 December 2018. Subsequently, independently and with the assistance of our experts, we determined the fair value of these contracts and compared them with the value included in the Consolidated Financial Statements.

We have also assessed the compliance of the information included in the notes to the Consolidated Financial Statements with IFRS standards.

*Board of Directors' responsibilities for the preparation of the Consolidated Financial Statements*

The Board of Directors is responsible for the preparation and fair presentation of Consolidated Financial Statements in accordance with IFRS as adopted by the European Union and as implemented by the Royal Decree of 13 July 2014 "relating to regulated real estate companies" and with legal and regulatory requirements applicable in Belgium, and for such internal control as it determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, explaining, where appropriate, going concern issues and applying the going concern assumption, unless the Board of Directors intends to dissolve the Group or to cease trading, or unless it has no realistic alternative but to do so.

*Statutory Auditor's responsibilities for the audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance that the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an audit report which includes our opinion. A reasonable level of assurance is a high level of assurance but does not guarantee that an audit carried out in accordance with the ISA would always detect a material misstatement where one exists. Variations may occur due to fraud or error and are considered to be significant if they could reasonably be expected to affect, individually or in combination, the economic decisions made by users on the basis of these Consolidated Financial Statements.

In carrying out our audit, we comply with the legal, regulatory and normative framework applicable to the audit of Consolidated Financial Statements in Belgium.

As part of an audit conducted in accordance with the ISA, we apply professional judgement and maintain a professionally critical attitude throughout the audit.

We also carry out the following work:

- Identifying and estimating the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, determining and performing the audit procedures that are appropriate in the circumstances, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material anomaly is greater if that anomaly is the result of fraud than if it is the result of errors, because fraud may involve conspiracy, forgery, deliberate failure to record transactions, deliberate misrepresentation or violation in the internal audit.
- Obtaining an understanding of the internal audit relevant to the audit, with the objective of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal audit.
- Evaluating the appropriateness of accounting policies used and evaluating the reasonableness of accounting estimates made by the Board of Directors and related disclosures.
- Concluding whether the going concern assumption used by the Board of Directors is acceptable and concluding, based on the audit evidence obtained, whether there is any material uncertainty with respect to events or circumstances that could cause significant doubt about the Group's ability to continue as a going concern. If we conclude that there is significant uncertainty, we are required to draw attention to the related notes for the Consolidated Financial Statements in our auditor's report, or, if such notes are inadequate, to amend our opinion. Our conclusions are based on audit evidence up to the date of our audit report. However, future events or circumstances may result in the Group no longer being able to continue as a going concern.
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and whether the Consolidated Financial Statements present the underlying transactions and events in a manner that gives a true and fair view.
- Obtaining sufficient and appropriate audit evidence about the financial information of the entities or businesses within the Group in order to express an opinion on the Consolidated Financial Statements. We are responsible for the management, supervision and execution of the group audit. We remain solely responsible for our opinion.

We communicate with the Board of Directors and the Audit Committee, among others, regarding the planned scope and timing of the audit and on the significant audit findings, including any significant failings in the internal audit that we identify in the course of our audit.

We also provide the Board of Directors and the Audit Committee with a declaration that we have complied with the relevant ethical rules on independence, and we communicate with them on all relationships and other matters that may reasonably affect our independence and, where applicable, on the related measures to ensure our independence.

Based on the matters communicated to the Board of Directors and the Audit Committee, we identify the matters that were most significant in the audit of the Consolidated Financial Statements for the current reporting period and that therefore constitute the key audit topics. We describe these matters in our report, unless disclosure is prohibited by law or regulation.

**Other legislative and regulatory requirements**

*Responsibilities of the Board of Directors*

The Board of Directors is responsible for the preparation and content of the annual report on the Consolidated Financial Statements, the report on non-financial information annexed to the annual report and the other information included in the annual report on the Consolidated Financial Statements.

*Responsibilities of the statutory auditor*

In the framework of our mandate and in accordance with Belgian International Standards on Auditing (as revised in 2018), which are applicable in Belgium, our responsibility is to audit the annual report on the Consolidated Financial Statements, the report on non-financial information annexed to the annual report and other information included in the annual report, in all material respects, and to report on these matters.

*Aspects relating to the annual report on the Consolidated Financial Statements and other information included in the annual report on the Consolidated Financial Statements*

Having performed specific work for the annual report on the Consolidated Financial Statements, we are of the opinion that this annual report is consistent with the Consolidated Financial Statements for the same financial year and has been prepared in accordance with Article 3:32 of the Companies and Associations Code.

In implementation of Article 37 Section 2 of the Law of 12 May 2014" on regulated real estate companies" and in accordance with Article 8 of the Royal Decree of 13 July 2014 "with respect to regulated real estate companies", the Company's transactions with the parties described in Article 37 Section 1 of the aforementioned Law have been disclosed in the "Conflicts of interest" section of the annual financial report.

In the context of our audit of the Consolidated Financial Statements, we are also responsible for considering, in particular on the basis of our audit knowledge, whether the annual report on the Consolidated Financial Statements and the other information included in the annual report on the Consolidated Financial Statements should be qualified, specifically:

- Risk management
- Message to the shareholders
- Key figures on 31 December 2018
- Strategy and operating activities
- Corporate governance
- The Xior share
- Property report
- Corporate social responsibility
- Statements
- Permanent document

contains a material misstatement, either information that is incorrectly stated or otherwise misleading. In the light of the work we have carried out, we have no material deviations to report.

*Statements concerning independence*

- Our statutory auditor's office and our network did not carry out any assignments incompatible with the statutory audit of the Consolidated Financial Statements and our statutory auditor's office remained independent of the Group during the course of our mandate.
- The fees for the additional tasks that are compatible with the statutory audit of the consolidated annual accounts referred to in Article 3:65 of the Companies and Associations Code have been correctly stated and broken down in the notes to the Consolidated Financial Statements.

*Other statements*

- This report is consistent with our additional statement to the Audit Committee as referred to in Article 11 of Regulation (EU) No 537/2014.

Sint-Stevens-Woluwe, 28 March 2019

The statutory auditor
PwC Bedrijfsrevisoren B.V.
Represented by

Damien Walgrave
Statutory Auditor


Voskenslaan
GHENT



## 10.10 CONDENSED VERSION OF XIOR STUDENT HOUSING NV'S STATUTORY ANNUAL FINANCIAL STATEMENTS

Xior Student Housing NV's statutory annual financial statements are based on the IFRS standards and in accordance with the Royal Decree on Regulated Real Estate Companies of 13 July 2014. The full version of Xior Student Housing NV's statutory annual financial statements will be deposited together with the Annual Report and the Statutory Auditor's report with the National Bank of Belgium within the statutory term and is available free of charge on the Company website (www.xior.be) and from the registered office on request.

The Statutory Auditor has issued an unqualified opinion without reservations for the statutory annual financial statement of Xior Student Housing NV.

## 10.10.1 STANDALONE INCOME STATEMENT

| | | Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|---|---|
| I | (+) | Rental income | 33,696 | 30,914 |
| | (+) | Rental income | 33,049 | 29,282 |
| | (+) | Rental guarantees | 920 | 1,807 |
| | (+/-) | Rent reductions | -273 | -175 |
| III | (+/-) | Rent-related expenses | -204 | -79 |
| | | *Impairments of trade receivables* | -204 | -79 |
| | | **NET RENTAL INCOME** | **33,492** | **30,834** |
| V | (+) | Recovery of rental charges and taxes normally payable by the tenants for let properties | 6,989 | 5,662 |
| | | *Transmission of rental charges borne by the proprietor* | 6,910 | 5,544 |
| | | *Calculation of withholding tax and taxes on let properties* | 79 | 118 |
| VII | (-) | Rental charges and taxes normally payable by the tenants for let properties | -7,790 | -6,134 |
| | | *Rental charges borne by the proprietor* | -7,689 | -6,014 |
| | | *Withholding tax and taxes on let properties* | -101 | -120 |
| VIII | (+/-) | Other rent-related income and expenditure | 771 | 1,449 |
| | | **PROPERTY RESULT** | **33,463** | **31,811** |
| IX | (-) | Technical costs | -1,487 | -1,233 |
| | | *- Recurring technical costs* | -1,498 | -1,321 |
| | (-) | Repairs | -1,262 | -1,100 |
| | (-) | Insurance premiums | -236 | -222 |
| | | *- Non-recurring technical costs* | 10 | 89 |
| | (-) | Damages | 10 | 89 |
| X | (-) | Commercial costs | -320 | -342 |
| | (-) | Advertising | -280 | -292 |
| | (-) | Lawyers' fees and legal costs | -40 | -50 |
| XI | (-) | Costs and taxes for non-let properties | -609 | -292 |
| XII | (-) | Property management costs | -2,355 | -1,998 |
| | (-) | External management costs | 0 | -404 |
| | (-) | Internal management costs | -2,355 | -1,593 |
| XIII | (-) | Other property charges | -1,263 | -1,328 |
| | (-) | Architects' fees | 0 | -1,078 |
| | (-) | Valuation expert fees | -321 | -4 |
| | (-) | Other | -942 | -245 |
| | | **PROPERTY CHARGES** | **-6,034** | **-5,192** |
| | | **PROPERTY OPERATING RESULT** | **27,428** | **26,619** |
| XIV | (-) | General company expenses | -4,368 | -3,332 |
| XV | (+/-) | Other operating result and costs | 3,044 | 0 |
| | | **OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO** | **26,104** | **23,287** |
| XVI | (+/-) | Result from the sale of investment properties | | |
| | (+) | *Net property sales (sales price – transaction fees)* | | |
| | (-) | *Book value of the sold property* | | |
| XVIII | (+/-) | Variations in the Fair Value of investment property | -35,057 | 15,431 |
| | (+) | *Positive variations in the fair value of the investment property* | 377 | 22,422 |
| | (-) | *Negative variations in the fair value of the investment property* | -35,434 | -6,991 |
| XIX | (+/-) | Other portfolio result | -3,126 | -3,703 |
| | | **OPERATING RESULT** | **-12,078** | **35,015** |
| XX | (+) | Financial income | 16,516 | 6,507 |
| | (+) | *Interest and dividends collected* | 16,516 | 6,507 |
| XXI | (-) | Net interest costs | -9,651 | -7,611 |
| | (-) | *Nominal interest paid on loans* | -6,662 | -4,854 |
| | (-) | *Breakdown of the nominal amount of financial debt* | -332 | -218 |
| | (-) | *Costs of permitted hedging instruments* | -2,657 | -2,540 |
| | | *Permitted hedging instruments that are not subject to hedging accounting as defined by the IFRS* | -2,657 | -2,540 |
| XXII | (-) | Other financial costs | -931 | -380 |
| | (-) | *Bank costs and other commissions* | -869 | -354 |
| | (-) | *Other* | -61 | -26 |
| XXIII | (+/-) | Variations in the fair value of financial assets and liabilities | -21,768 | -2,587 |
| | | *Permitted hedging instruments that are not subject to hedging accounting as defined by the IFRS* | -9,042 | -9,150 |
| | | *Other* | -12,726 | 6,563 |
| | | **FINANCIAL RESULT** | **-15,833** | **-4,071** |
| XXIV | | Share in the result of associated companies and joint ventures | -284 | 204 |
| | | **RESULT BEFORE TAXES** | **-28,196** | **31,148** |
| XXIV | (+/-) | Corporate tax | -973 | -2,005 |
| XXV | (+/-) | Exit tax | 23 | 0 |
| XXV | (+/-) | Deferred taxes | -1,768 | -1,322 |
| | | **TAXES** | **-2,718** | **-3,327** |
| | | **NET RESULT** | **-30,914** | **27,821** |

## 10.10.2 COMPREHENSIVE INCOME STATEMENT

| Figures in thousands of EUR | | 31/12/2020 | 31/12/2019 |
|---|---|---|---|
| **Net result** | | **-30,914** | **27,821** |
| **Other components of the comprehensive result** | | | |
| (+/-) | Impact on the Fair Value of the estimated transaction costs and costs resulting from hypothetical disposal of investment properties | 0 | 0 |
| (+/-) | Variations in the effective part of the Fair Value of permitted cash flow hedging instruments | 0 | 0 |
| **Comprehensive result** | | **-30,914** | **27,821** |

## 10.10.3 STANDALONE BALANCE SHEET

| Assets | | Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|---|---|
| I | | **FIXED ASSETS** | **920,806** | **848,455** |
| | B | Intangible fixed assets | 13 | 19 |
| | C | Investment property | 680,479 | 693,370 |
| | | *Property available to let* | 677,488 | 674,371 |
| | | *Property developments* | 2,990 | 18,999 |
| | D | Other tangible fixed assets | 703 | 791 |
| | | *Tangible fixed assets for own use* | 703 | 791 |
| | | *Other* | | |
| | E | Financial fixed assets | 239,348 | 154,136 |
| | | *Assets at fair value via result* | 239,327 | 154,115 |
| | | *Other* | 21 | 21 |
| | G | Trade receivables and other fixed assets | 135 | 135 |
| | H | Deferred taxes – assets | 2 | 2 |
| | I | Participating interests in associated companies and joint ventures with equity movements | 126 | 3 |
| II | | **Current assets** | **565,748** | **338,652** |
| | D | Trade receivables | 2,035 | 132 |
| | E | Tax receivables and other current assets | 559,732 | 334,761 |
| | | *Taxes* | 460 | -192 |
| | | *Salaries and social security* | | |
| | | *Other* | 559,272 | 334,953 |
| | F | Cash and cash equivalents | 991 | 2,121 |
| | G | Accruals and deferred payments | 2,989 | 1,638 |
| | | *Prepaid property charges* | | |
| | | *Accrued rental income not due* | 583 | 935 |
| | | *Other* | 2,407 | 703 |
| **Total assets** | | | **1,486,553** | **1,187,107** |

| Liabilities | Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|---|
| **Equity** | | **694,258** | **649,727** |
| A | Capital | 375,441 | 342,125 |
| | *Issued capital* | 378,836 | 344,396 |
| | *Capital increase costs* | -3,395 | -2,271 |
| B | Issue premiums | 338,065 | 276,441 |
| C | Reserves | 11,666 | 3,340 |
| | *Statutory reserves* | | |
| | *Reserve for the balance of variations in the fair value of property* | 43,861 | 29,530 |
| | *Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property* | -25,293 | -22,072 |
| | *Reserve for the balance of the changes in the fair value of permitted hedging transactions that are not subject to hedging accounting as defined in the IFRS* | -15,467 | -8,184 |
| | *Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method* | -1,962 | |
| | *Unavailable reserve: reserve for foreseeable losses* | | |
| | *Other reserves* | | |
| | *Earnings carried over from previous financial years* | 10,528 | 4,066 |
| D | Net result for the financial year | -30,914 | 27,821 |
| **Liabilities** | | **792,295** | **537,380** |
| **I** | **Non-current liabilities** | **707,650** | **514,999** |
| B | Non-current financial debts | 672,437 | 490,950 |
| | a Credit institutions | 563,160 | 490,950 |
| | b Other | 109,277 | |
| C | Other non-current financial liabilities | 24,509 | 15,467 |
| | *Permitted hedging instruments* | 24,509 | 15,467 |
| D | Other non-current liabilities | 354 | |
| F | Deferred taxes – liabilities | 10,350 | 8,583 |
| | a Exit tax | | |
| | b Other | 10,350 | 8,583 |
| **II** | **Current liabilities** | **84,645** | **22,380** |
| B | Current financial liabilities | 63,919 | 860 |
| | a. Credit institutions | 63,919 | 860 |
| D | Trade debts and other current liabilities | 3,748 | 6,392 |
| | Exit tax | - | 206 |
| | Other | 3,748 | 6,185 |
| | *Suppliers* | 3,271 | 3,759 |
| | *Tenants* | 227 | 417 |
| | *Taxes, salaries and social security contributions* | 250 | 2,010 |
| | *Other* | | |
| E | Other current liabilities | 13,577 | 10,263 |
| | *Other* | 13,577 | 10,263 |
| F | Accruals and deferred payments | 3,401 | 4,865 |
| | *Deferred income* | 350 | 1,070 |
| | *Other* | 3,051 | 3,796 |
| **Total equity and liabilities** | | **1,486,553** | **1,187,107** |

## 10.10.4 STATEMENT OF CHANGES IN EQUITY

| Figures in thousands of EUR | Capital | Issue premiums | Reserves | Net result of the financial year | Equity |
|---|---|---|---|---|---|
| **Balance sheet as at 31 December 2018** | **245,672** | **147,240** | **1,122** | **16,106** | **410,138** |
| Net appropriation of income 2018 | | | | | |
| Transfer of result on the portfolio to reserves | | | 7,190 | -7,190 | 0 |
| Transfer of operating result to reserves | | | 2,289 | -2,289 | 0 |
| Result for the period | | | | 27,821 | 27,821 |
| Other elements recognised in the comprehensive result | | | | | |
| Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property | | | | | |
| Variations in the fair value of financial assets and liabilities | | | -7,259 | 7,259 | 0 |
| Issue of new shares | 211,761 | | | | 211,761 |
| Capital increase through non-cash contribution | 17,997 | | | | 17,997 |
| Costs of issuing new shares and of capital increase | -104 | -4,000 | | | -4,104 |
| Partial allocation of capital to issue premiums | -133,201 | 133,201 | | | 0 |
| Dividends | | | | -13,887 | -13,887 |
| **Balance sheet as at 31 December 2019** | **342,125** | **276,441** | **3,340** | **27,821** | **649,727** |
| Net appropriation of income 2019 | | | 27,821 | -27,821 | 0 |
| Transfer of result on the portfolio to reserves | | | | | |
| Transfer of operating result to reserves | | | | | |
| Result for the period | | | | -30,914 | -30,914 |
| Other elements recognised in the comprehensive result | | | | | |
| Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property | | | | | |
| Variations in the fair value of financial assets and liabilities | | | | | |
| Issue of new shares | 54,681 | | | | 54,681 |
| Capital increase through non-cash contribution | 41,383 | | | | 41,383 |
| Costs of issuing new shares and of capital increase | -1,124 | | | | -1,124 |
| Partial allocation of capital to issue premiums | -61,624 | 61,624 | | | 0 |
| Dividends | | | | -19,495 | -19,495 |
| **Balance sheet as at 31 December 2020** | **375,441** | **338,065** | **11,666** | **-30,914** | **694,258** |

## 10.10.5 DETAIL OF THE RESERVES

| Figures in thousands of EUR | Reserve for the balance of variations in the fair value of property | Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property | 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 | Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method | Other reserves | Retained earnings from previous financial years | Total of the reserves |
|---|---|---|---|---|---|---|---|
| **Balance sheet as at 31 December 2018** | **19,333** | **-19,064** | **-924** | **0** | **0** | **1,777** | **1,121** |
| Net appropriation of income | | | | | | 16,105 | 16,105 |
| Transfer of result on the portfolio to reserves | 10,197 | -3,007 | | | | -7,190 | 0 |
| Transfer of operating result to reserves | | | | | | | |
| Other elements recognised in the comprehensive result | | | | | | | |
| Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property | | | | | | | |
| Variations in the fair value of financial assets and liabilities | | | -7,259 | | | 7,259 | 0 |
| Issue of new shares | | | | | | | |
| Capital increase through non-cash contribution | | | | | | | |
| Costs of issuing new shares and of capital increase | | | | | | | |
| Capital reduction to create an available reserve to cover future losses | | | | | | | |
| Deferred taxes for Dutch real estate | | | | | | | |
| Dividends | | | | | | -13,887 | -13,887 |
| Other | | | | | | | |
| **Balance sheet as at 31 December 2019** | **29,530** | **-22,071** | **-8,183** | **0** | **0** | **4,066** | **3,340** |
| Net appropriation of income | | | | | | 27,821 | 27,821 |
| Transfer of result on the portfolio to reserves | 14,331 | -3,221 | | | | -11,110 | 0 |
| Transfer of operating result to reserves | | | | | | | |
| Other elements recognised in the comprehensive result | | | | | | | |
| Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property | | | | | | | |
| Variations in the fair value of financial assets and liabilities | | | -7,284 | | | 7,284 | 0 |
| Issue of new shares | | | | | | | |
| Capital increase through non-cash contribution | | | | | | | |
| Costs of issuing new shares and of capital increase | | | | | | | |
| Dividends | | | | | | -19,495 | -19,495 |
| Transfer to new reserve account | | | | -1,962 | | 1,962 | 0 |
| **Balance sheet as at 31 December 2020** | **43,861** | **-25,292** | **-15,467** | **-1,962** | **0** | **10,528** | **11,666** |

## 10.10.6 APPROPRIATION OF INCOME UNDER THE ARTICLES OF ASSOCIATION

| | | | 31/12/2020 | 31/12/2019 |
|---|---|---|---|---|
| A. | | **Net result** | **-30,914** | **27,821** |
| B. | (-/=) | **Addition to/withdrawal from reserves** | | |
| 1. | (-/+) | Addition to/withdrawal from the reserve for the (positive or negative) balance of variations in the property's fair value | | |
| | | - financial year | -45,879 | 14,331 |
| 2. | (-/+) | Addition to/withdrawal from the reserve of the estimated transaction fees and costs resulting from the hypothetical disposal of investment properties | | |
| | | - financial year | -9,146 | -3,221 |
| 5. | (+) | Addition to the reserve for the balance of the variations in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in the IFRS | | |
| | | - financial year | -9,042 | -7,283 |
| 10. | (-/+) | Addition to/withdrawal from other reserves | 0 | 6,461 |
| 11. | (-/+) | Addition to/withdrawal from retained earnings from previous financial years | 8,083 | 0 |
| 12. | (-/+) | Addition to reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method | -1,532 | -1,962 |
| C. | | **Return on capital pursuant to Article 13, section 1, first paragraph** | **25,822** | **14,906** |
| D. | | **Return on capital - other than C** | **780** | **4,589** |

## 10.10.7 PAYMENT OBLIGATION IN ACCORDANCE WITH ARTICLE 13 §1 FIRST SECTION OF THE ROYAL DECREE OF 13 JULY 2014 CONCERNING RREC

| | Figures in thousands of EUR | 31/12/2020 | 31/12/2019 |
|---|---|---|---|
| | **Net result** | **-30,914** | **27,821** |
| (+) | Depreciation | 191 | 169 |
| (+) | Impairments | 237 | 113 |
| (-) | Reversal of impairments | -33 | -34 |
| (-/+) | Other non-monetary items | 24,135 | 2,601 |
| (+/-) | EPRA result of the 100% subsidiaries by applying equity method with look-trough approach | 3,604 | 0 |
| (-/+) | Result from the sale of property | 0 | 0 |
| (-/+) | Variations in the fair value of property | 35,057 | -12,037 |
| | **Adjusted result (A)** | **32,277** | **18,633** |
| (-/+) | Gains and losses realised on property during the financial year (+/-) | | |
| (-) | Gains realised on property during the financial year exempt from the distribution obligation subject to their reinvestment within a period of four years (-) | | |
| (+) | Gains realised on property previously exempt from the distribution obligation and not reinvested within a period of four years (+) | | |
| | **Net gains on the realisation of property not exempt from the distribution obligation (B)** | **0** | **0** |
| | **Total (A) + (B) x 80%** | **25,822** | **14,906** |
| | **Debt reduction (-)** | **0** | **0** |
| | **Payment obligation** | **25,822** | **14,906** |

As a result of the application of the look-through approach, the EPRA results of the 100% subsidiaries were taken into account when determining the payment obligation. For the determination of the amount to be paid out in accordance with Article 13 (1) (1) of the Royal Decree of 13 July 2014 regarding the RREC, the Company has the practice of correcting the share of the profit or loss of subsidiaries under the heading "Other non-monetary components", as a result of which the results of not 100% subsidiaries are not taken into account for the calculation of the minimum dividend to be paid.

## 10.10.8 NON-DISTRIBUTABLE EQUITY IN ACCORDANCE WITH ARTICLE 7:212 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE

The amount as referred to in Article 7:212 of the Belgian Companies and Associations Code of the paid-up capital or – if the amount is higher – called-up capital, plus the reserves that must not be distributed by law or under the Articles of Association, is determined in Chapter IV of Annex C of the Royal Decree on Regulated Real Estate Companies.

This calculation is based on Xior Student Housing NV's statutory annual financial statement, but by applying the look-through approach.

| | 31/12/2020 | 31/12/2019 |
|---|---|---|
| **Non-distributable equity in accordance with Article 7:212 of the Belgian Companies and Associations Code** | **618,486,570** | **619,466,984** |
| Paid-up capital | 378,835,938 | 344,396,322 |
| Issue premiums are unavailable according to the articles of association | 298,447,920 | 271,819,532 |
| Reserve for the positive balance of the variations in the investment value of property | 0 | 43,861,047 |
| Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property | -34,438,159 | -25,292,564 |
| Reserve for the balance of the variations in the fair value of permitted hedging instruments that are not subject to hedging accounting | -24,508,978 | -15,467,201 |
| Reserve for the balance of the variations in the fair value of permitted hedging instruments that are subject to hedging accounting | 0 | 0 |
| Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method | 0 | 0 |
| Other reserves | 149,848 | 149,848 |
| Statutory equity | 694,257,855 | 649,726,651 |
| Planned dividend payments | 26,602,077 | 19,494,976 |
| Weighted average number of shares | 19,560,351 | 14,996,135 |
| Operational distributable earnings per share (EUR) | 1,36 | 1,3 |
| Statutory equity after dividend payments | 663,685,604 | 630,231,676 |
| **Remaining reserve after distribution** | **49,169,209** | **10,764,692** |

The result of the subsidiaries wholly owned by Xior Student Housing has been realised by the Company for the period from the Company's acquisition to the closing date and has been accounted for in the Company's equity as follows:

- The operational distributable income (KEUR 3,604) of the subsidiaries was attributed to the various items for the Company's result. This positive correction includes the sum of the positive and negative EPRA results achieved by the individual 100% subsidiaries, whereby the positive EPRA result of Patrimmonia Couronne-Franck SA amounting to KEUR 275 was not taken into account as this company is unable to pay its positive results as a result of statutory restrictions.
- The change in the Fair Value of investment property of subsidiaries was attributed to other result on the portfolio.

As such the subsidiaries' operating result for 2020 can be used for distribution as dividend from the acquisition date (look-through approach).

For subsidiaries in which the Company does not hold 100% of the shares, the Company will include its share of the results of these subsidiaries (both the realised and unrealised results) in a separate unavailable reserve account "*Reserve for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method*". For the financial year ending 31 December 2020, the Company's share of the results of these not 100% subsidiaries is KEUR 1,532, which will be allocated to the aforementioned unavailable reserve. Since the Company has decided to process the impact of this changed insight as if the viewing method for these subsidiaries had never been applied, the total balance of this unavailable reserve was KEUR -3,495 on 31 December 2020.

**THE COMPANY**

**XIOR STUDENT HOUSING NV**
Public RREC under Belgian law
Mechelsesteenweg 34, Box 108
2018 Antwerp
Belgium

**COMPANY STATUTORY AUDITOR**

**PwC Bedrijfsrevisoren / Réviseurs d'Entreprises BV**
Woluwedal 18
1932 Sint-Stevens-Woluwe
Belgium

**LEGAL ADVISER TO THE COMPANY**

**Eubelius SCRL/CVBA**
Avenue Louise/Louizalaan 99
1050 Brussels
Belgium

**JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS**

**Belfius Bank SA/NV**
Place Charles Rogier/Karel Rogierplein 11
1210 Brussels
Belgium

**ING Belgium SA/NV**
Avenue Marnix/Marnixlaan 24
1000 Brussels
Belgium

**JOINT BOOKRUNNERS**

**BNP Paribas Fortis SA/NV**
Montagne du Parc/Warandeberg 3
1000 Brussels
Belgium

**ABN AMRO Bank N.V.**
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

**KBC Securities SA/NV**
Avenue du Port/Havenlaan 2
1080 Brussels
Belgium

**LEGAL ADVISER TO THE UNDERWRITERS**

**STIBBE SRL/BV**
Central Plaza
Rue de Loxum/Loksumstraat 25
1000 Brussels
Belgium