

XIOR STUDENT HOUSING NV

Public Limited Company, PRREC according to Belgian law

Frankrijklei 64-68, 2000 Antwerp (Belgium)

RPR (Antwerp Register of Companies, Antwerp division) 0547.972.794

(the “**Company**”)

SPECIAL REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 7:199 OF THE BELGIAN CODE OF COMPANIES AND ASSOCIATIONS CONCERNING THE PROPOSED PARTIAL RENEWAL AND EXTENSION OF THE AUTHORISED CAPITAL

Dear shareholders,

We have the honour of submitting herewith a comprehensive written report in accordance with article 7:199, second paragraph of the Belgian Code of companies and associations (the “**BCCA**”) concerning the proposed partial renewal and extension of the authorisation to the board of directors (the “**Board**”) to increase the capital of the Company within the framework of the authorised capital. This report covers the special circumstances in which the Board can use the authorised capital and the objectives for which it is used.

The Board will submit the partial renewal and extension of the authorised capital to the extraordinary general meeting of the Company to be held on 15 September 2022 or, if the quorum is not reached at such meeting, the second extraordinary general meeting to be held on 6 October 2022 (the “**Extraordinary General Meeting**”).

In this report, the Board shall, in accordance with article 7:199 of the BCCA, specify in more detail in which circumstances it may use this power to increase the capital and which objectives it will be able to pursue, among other things, by means of this authorisation.

1. Circumstances in which the authorised capital may be used

The Board proposes to the shareholders of the Company to partially renew and extend, under the conditions of this report, the authorisation which was granted to the Board by the extraordinary general meeting of 24 June 2021 for a period of five years from the publication in the Annexes to the Belgian Official Gazette of the decision of the extraordinary general meeting.

The new authorisation is a full renewal and extension of the existing authorisation provided for in the current article 7, first paragraph, sections (c) and (d) of the articles of association, which is therefore entirely replaced by the aforementioned partial renewed and extended authorisation (subject to approval by the Extraordinary General Meeting). The authorisations to increase the capital provided for in article 7, paragraph 1, sections (a) and (b) of the articles of association are not renewed and shall remain fully applicable as granted by the extraordinary general meeting held on 24 June 2021.

1.1 Authorisation for capital increases by way of future contributions in cash and in kind

First, the Board proposes to grant it a new authorisation for capital increases by way of contributions in cash, without providing for the possibility of the Company’s shareholders to exercise their statutory

preferential subscription right or irreducible allocation right, to increase the capital during five years for a maximum amount of 10% of the capital outstanding on the date of and as increased pursuant to the Extraordinary General Meeting.

Second, the Board proposes to grant it a new authorisation for capital increases by way of contributions in kind, to increase the capital during five years for a maximum amount of 10% of the capital outstanding on the date of and as increased pursuant to the Extraordinary General Meeting.

In the context of the new authorisation for capital increases by way of contributions in cash and in kind for a maximum amount of 10% of the capital outstanding on the date of the Extraordinary General Meeting, the Board may also issue subscription rights (whether or not attaching to another security) and convertible bonds or bonds exchangeable into shares, which may give rise to the creation of the same securities referred to in the previous paragraphs, and this always in compliance with the rules prescribed by the BCCA, the applicable regulations on regulated real estate companies and the articles of association of the Company. The Board may also use such authorisation within the framework of the Company's remuneration policy, including for the granting of shares, share options or subscription rights to staff members, directors, members of the management or consultants of the Company and its subsidiaries as well as to persons who have made themselves useful to the Company and its subsidiaries in the context of their professional activity.

It is important to note that the Board cannot use its authority in respect of the authorised capital for:

- (i) the issue of subscription rights which are primarily intended for one or more particular persons other than members of personnel of the Company or of one or more of its subsidiaries (article 7:201, 1° of the BCCA);
- (ii) the issue of shares with multiple voting rights or of securities giving right to the issuance of or the conversion into shares with multiple voting rights (article 7:102, 2° of the BCCA);
- (iii) a capital increase that is primarily realised by a contribution in kind reserved exclusively for a person holding securities with more than 10% of the voting rights of the Company (article 7:201, 3° of the BCCA); and
- (iv) the issuance of a new class of securities (article 7:201, 4° of the BCCA).

In addition, the Board may, from the time that the Company receives notification from the FSMA that it has been notified of a public takeover bid for its securities until the end of the bid, not use its authorised capital (i) to increase the capital by contributions in kind or in cash with limitation or withdrawal of the preferential right of the shareholders or (ii) to acquire securities carrying voting rights (or securities giving a right to subscribe to or to acquire such securities), whether or not representing capital that are not preferentially offered to shareholders in proportion to the capital represented by their shares (article 7:202, first paragraph of the BCCA). Although the general meeting can explicitly authorise the Board to do so under certain legal conditions in respect of a public takeover bid received within three years, the Board does not request such specific authorisation, as a result of which it will in any case not be able to use the authorised capital in the framework of a takeover bid in the specific circumstances described in article 7:202 of the BCCA.

1.2 Authorisation for capital increases by way of contributions in kind in the context of the BaseCamp Acquisition

Third, the Board proposes to grant a new authorisation for capital increases by way of contributions in kind in the context of the contemplated acquisition by the Company of all the shares of BaseCamp Group Ltd (“**BaseCamp**”) from its shareholders and/or the payment of the consideration due in connection therewith, in accordance with the terms and conditions of the option agreement of 30 May 2022 entered into between Mr Armon Bar-Tur, Mr Amnon Bar-Tur, Mr Andreas Junius and Mr David Justin Hamer and the Company, as amended from time to time (the “**BaseCamp Acquisition**”).

The BaseCamp Acquisition is subject to either the Company exercising its call option under the option agreement to acquire all the shares of BaseCamp from the shareholder of BaseCamp, or such shareholders exercising their put option under the option agreement to require the Company to acquire all their shares of BaseCamp. The call option may be exercised at any time from 1 March 2023 to 31 March 2023, unless postponed by the Company by a period of 12 months in accordance with the option agreement. If the call option has not been exercised between 1 March 2023 and 31 March 2023 nor postponed by the Company, the put option may be exercised from 1 April 2023 to 30 April 2023.

In the event the exercise of the call option is postponed:

- (i) it will be exercisable from 1 October 2023 to 31 March 2024 and the put option from 1 April 2024 to 30 April 2024; and
- (ii) the exercise price of the call option (i.e. an initial amount of EUR 36,000,000, subject to the adjustments described below) shall be due by the Company even if the call option has not been exercised yet and the receivable of such exercise price in favour of the shareholders of BaseCamp shall be contributed in kind to the capital of the Company, provided that the transfer of all the shares of BaseCamp to the Company will take place only upon the actual exercise of the call option or put option (as postponed), if any.

The BaseCamp Acquisition is further detailed in an explanatory note that is available on the Company's website: <https://corporate.xior.be/en/investors/general-meeting>.

The Board proposes to grant this new authorisation for the purposes of the BaseCamp Acquisition so as to be able to increase the capital and issue new shares against the proposed contributions in kind pursuant to articles 7:196 and 7:197 of the BCCA, without the need to convene an extraordinary general meeting of the Company on the date of any such contributions.

The capital increases for which the authorisation will be granted will amount to the consideration due in connection with the BaseCamp Acquisition. The aggregate amount to be remunerated to the shareholders of BaseCamp will be equal to:

- (i) an initial amount of EUR 36,000,000, subject to (a) customary adjustments for cash, debt and net working capital as at the date of completion of the BaseCamp Acquisition within its original term or the date of contribution of the receivable of the exercise price of the call option following postponement thereof, as applicable, and (b) deduction of the proportion of the premium of the warranties and indemnities subscribed by the Company and to be borne by the shareholders of BaseCamp (EUR 204,993); and

- (ii) to the extent the earn-out conditions set out in the option agreement are satisfied, two subsequent amounts of up to (in aggregate) EUR 34,000,000.

Based on this, the authorisation to increase the capital will be set at a maximum amount of EUR 40,000,000 which, taking into account the existing shares' accounting par value of EUR 18, the estimated possible adjustments for cash, debt and net working capital and the current circumstances (including market conditions), is considered by the Board to be reasonably sufficient to cover the aggregate amount of shares to be issued as remuneration of the contributions in kind in connection with the BaseCamp Acquisition.

The authorisation will be valid during three years, which is the period within which the BaseCamp Acquisition may be realised and/or the consideration due in connection therewith (including the earn-out) may become payable.

1.3 Provisions applicable to all authorisations

The capital within the framework of the authorised capital can never be increased by an amount higher than the capital on the date of the extraordinary general meeting which approved the authorisation (in other words that the sum of the capital increases with application of proposed authorisations cannot in total exceed the amount of the capital on the date of the extraordinary general meeting that approved the authorisation).

In the context of the partial extension and renewal of the authorised capital, the Board will have the authority to request an issue premium. If necessary, the issue premium will be booked and retained in one or more separate accounts under shareholders' equity on the balance sheet. The Board is free to decide on the issue premium, possibly after deduction of an amount equal at most to the cost of the capital increase within the meaning of the applicable IFRS rules, still to be placed on an unavailable reserve account that will constitute a guarantee for third parties in the same way as the capital shall constitute a guarantee for third parties and which, subject to its incorporation into the capital, may only be reduced or eliminated by resolution of the general meeting, deliberating according to the conditions of quorum and majority required for an amendment of the articles of association.

If the Extraordinary General Meeting approves the proposal for the partial renewal and extension of the authorised capital of the Board, then the Board proposes to:

- (i) amend the full text of article 7, first paragraph, section (c) of the Company's articles of association and bring it in line with the approved proposal, as follows:
“(c) for capital increases by way of cash contribution in which no provision is made for the possibility of the Company's shareholders exercising their statutory preferential right or irreducible allocation right, with a maximum amount of 10 % of [amount to be determined based on the capital outstanding on the date of and as increased pursuant to the Extraordinary General Meeting].”;
- (ii) amend the full text of article, 7, first paragraph, section (d) of the Company's articles of association and bring it in line with the approved proposal, as follows:

“(d) for capital increases by contribution in kind, up to a maximum amount of 10% of [amount to be determined based on the capital outstanding on the date of and as increased pursuant to the Extraordinary General Meeting];”;

- (iii) add an additional section (e) immediately following section (d) to the full text of article, 7, first paragraph, of the Company's articles of association and bring it in line with the approved proposal, as follows:

“(e) for the capital increases by contribution in kind in the context of the acquisition of BaseCamp Group Ltd and/or the payment of the consideration due in connection therewith, up to a maximum amount of EUR 40,000,000;”; and

- (iv) replace the entire text of the second paragraph of article 7 with the text that reads as follows:
“The authorisation as granted under article 7, first paragraph, sections (a) and (b) is valid for a period of five years starting from the publication in the Annexes to the Belgian State Gazette of the minutes of the extraordinary general meeting of 24 June 2021. The authorisation as granted under article 7, first paragraph, sections (c) and (d) is valid for a period of five years from the publication in the Annexes to the Belgian State Gazette of the minutes of the extraordinary general meeting of [15 September 2022 or, if the quorum is not reached at such meeting, 6 October 2022]. The authorisation as granted under article 7, first paragraph, section (e) is valid for a period of three years from the publication in the Annexes to the Belgian State Gazette of the minutes of the extraordinary general meeting of [15 September 2022 or, if the quorum is not reached at such meeting, 6 October 2022].”.

If the proposal for authorisation to the Board is not approved, the existing authorisation which was approved on 24 June 2021 (and provided for in article 7, first paragraph, sections (a), (b), (c) and (d) of the articles of association) will continue to apply.

2. Purposes for which the authorised capital may be used

2.1. Authorisation for capital increases by way of future contributions in cash and in kind

In connection with the new authorisation for capital increases by way of contributions in cash and in kind (see paragraph 1.1), each for a maximum amount of 10% of the capital outstanding on the date of and as increased pursuant to the Extraordinary General Meeting, such authorisation is requested with a view to offering to the Board 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 below). 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 will be able to use the authorised capital, among other things, in the context of an accelerated bookbuilding (ABB), a capital increase in which the composition of the order book is over a short period of a few hours or a few days, using little or no promotional resources, in order to increase means of promotion, in order to enable the Company to find financing quickly and/or to benefit from special market conditions. In view of the deadlines, such a transaction can only be carried out using the authorised capital and a waiver of the preferential right and the irrevocable right of first refusal. However, the possibility of executing an ABB is currently legally restricted, in the sense that the cumulative amount of the capital increases which, in the framework of article 26, §1, al. 3 of the Belgian Law of 12 May 2014 on regulated real estate companies with application of the authorisation capital, have been made over a period of twelve months may not exceed 10 % of the capital amount at the time of the relevant capital increase.

The Board can also specifically use the authorisation to increase the capital if it appears that the short-term introduction of a capital increase (e.g. by issuing convertible bonds or subscription rights) and henceforth, if necessary, without the possibility for the shareholders of the Company to exercise the preferential subscription right or the irreducible allocation right (as referred to in the Belgian Law of 12 May 2014 on regulated real estate companies), is appropriate in the interest of the Company.

The Board may also use the authorised capital within the framework of the remuneration policy of the Company, including for the granting of shares, share options or subscription rights to staff members, directors, executives or consultants of the Company and its subsidiaries, as well as to persons who, in the context of their activity, have made themselves useful to the Company and its subsidiaries in the context of their professional activity. Moreover, the Board 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.

2.2. Authorisation for capital increases by way of contributions in kind in the context of the BaseCamp Acquisition

The authorisation that is requested by the Board in the context of the BaseCamp Acquisition is intended to be used to remunerate the contributions in kind that will take place in the context of the BaseCamp Acquisition (see also paragraph 1.2).

3. Alternate proposal

If the proposal as set out in paragraph 1 for the partial renewal and extension of the authorised capital is not approved by the Extraordinary General Meeting, the Board proposes to the same Extraordinary General Meeting to partially renew the authorisation for capital increases by way of (i) contributions in cash, which do not provide for the possibility for the Company's shareholders to exercise their statutory preferential subscription right or irreducible allocation right, and (ii) by way of contributions in kind, to increase the capital during five years by a maximum amount of 10% of the amount of the capital on the date of and as increased pursuant to the Extraordinary General Meeting for such contributions in the aggregate.

The authorised capital under this alternate proposal can be used under the same circumstances as set out in paragraph 1.1 and for the same purposes as set out in paragraph 2.1.

If the Extraordinary General Meeting approves the alternate proposal for the partial renewal of the authorised capital of the Board, then the Board proposes to:

- (i) amend the full text of article 7, first paragraph, section (c) of the Company's articles of association and bring it in line with the approved proposal, as follows:
“(c) for capital increases by way of (i) cash contribution in which no provision is made for the possibility of the Company's shareholders exercising their statutory preferential right or irreducible allocation right, and (ii) contributions in kind, with a maximum amount of 10 % of [amount to be determined based on the capital outstanding on the date of and as increased pursuant to the Extraordinary General Meeting],”;
- (ii) delete section (d) of the full text of article 7, first paragraph, of the Company's articles of association; and
- (iii) replace the entire text of the second paragraph of article 7 with the text that reads as follows:
“The authorisation as granted under article 7, first paragraph, sections (a) and (b) is valid for a period of five years starting from the publication in the Annexes to the Belgian State Gazette of the minutes of the extraordinary general meeting of 24 June 2021. The authorisation as granted under article 7, first paragraph, section (c) is valid for a period of five years as from the publication in the Annexes to the Belgian State Gazette of the minutes of the extraordinary general meeting of [15 September 2022 or, if the quorum is not reached at such meeting, 6 October 2022].”

4. Conclusion

In view of the aforementioned considerations, the Board is of the opinion that the partial renewal and extension of the authorised capital as proposed in paragraph 1 (or, in the alternative, in paragraph 3) is in the interest of the Company. Consequently, the Board proposes to the extraordinary general meeting to deliberate on and vote in favour of the partial renewal and extension of the authorised capital as proposed in paragraph 1 (or, in the alternative, in paragraph 3) in accordance with this report.

Approved and signed on 12 August 2022 in Antwerp.

For the board of directors of Xior Student Housing NV,

Name: Christian Teunissen
Title: Managing Director

Name: Frederik Snauwaert
Title: Director