

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**” or “**Xior**”)

EXPLANATORY NOTE ON THE TRANSACTION

This note (the “**Note**”) explains the contemplated listing and admission to trading on the regulated market of Euronext Brussels of new shares (“**New Shares**”) without nominal value in the context of a capital increase (the “**Capital Increase**”) of the Company by way of a contribution in kind (the “**Contributions**”) of:

- (i) all the shares of ST Łódź Rewolucji 1905 Sp. z o.o., ST Katowice Krasińskiego Sp. z o.o., ST Łódź Rembelińskiego Sp. z o.o., Studentenwohnheim Prager Strasse GmbH, ST Potsdam S.à r.l., ST Skovbrynet Student ApS, ESHF 2 Aarhus Residential ApS, ESHF 2 Aarhus Student ApS, BC Student Malmö AB and ESHF 2 Birketinget ApS (the “**Contributed Companies**”) held by their shareholders; and
- (ii) the receivables of the loans granted by such shareholders (or their subsidiaries) (in principal and interests outstanding upon contribution) to the Contributed Companies (the “**Shareholder Loans**”).

This note further explains the broader transaction to which the Contributions are a part of, including the acquisition of Basecamp Student Operations ApS and BaseCamp Student Real Estate ApS (the “**Danish OpCos**”), the contemplated subsequent acquisition of BaseCamp Group Ltd (“**BaseCamp**”) and the contemplated subsequent acquisition of Blue Gate Aachen GmbH (“**Blue Gate Aachen**”), and which was announced in a press release on the Company website on 30 May 2022 (including subsequent update press releases on 27 July 2022 and 5 August 2022): <https://corporate.xior.be/en/press-news/press-releases>.

This note is provided to the shareholders of the Company (the “**Shareholders**”) to inform them about the Contributions in the context of the extraordinary general meeting which will be held on 15 September 2022 or, in case the required quorum is not met, of the second extraordinary general meeting to be held on 6 October 2022 (the “**Extraordinary General Meeting**”).

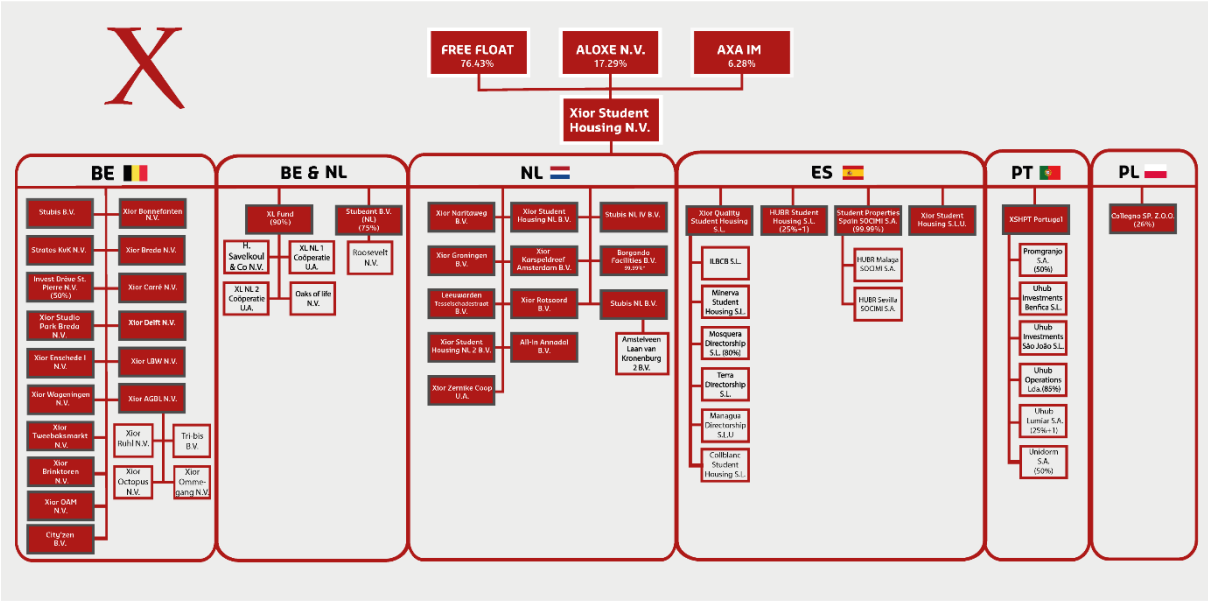
1. Description of the Company

The Company is licensed as a public regulated real estate company (“**BE-REIT**”).

The Company was founded in 2014 and specialises in the student housing sector in Belgium, the Netherlands, Spain and Portugal.

The most important shareholders of the Company are Aloxe NV which holds 17.29% and AXA Investment Managers S.A. which holds 6.28% in accordance with the latest transparency notifications.

A structure chart of the Company is set out below.



All participations are held 100% unless otherwise stated
*0,01 Stubis BV

More information on the Company can be found in the 2021 annual financial report serving as registration document of the Company and published on 19 April 2022 on the Company website: <https://corporate.xior.be/en/investors/reports-and-presentations>.

2. Description of the Contributed Companies, the Shareholder Loans, the Danish OpCos, BaseCamp and Blue Gate Aachen

2.1 The Contributed Companies

The Contributed Companies are special purpose vehicles held by ST Holdings S.à r.l. (“**STH**”), a limited liability company incorporated under the laws of the Grand Duchy of Luxembourg and fully owned subsidiary of the alternative investment fund European Student Housing Fund (“**ESHF I**”), and ESHF 2 Holdings S.à r.l. (“**E2H**”), a limited liability company incorporated under the laws of the Grand Duchy of Luxembourg and a fully owned subsidiary of the alternative investment fund European Student Housing Fund II (“**ESHF II**”).

All the shares of the Contributed Companies will be contributed in kind as part of the Contributions, i.e.:

- (i) STH will contribute:
 - a. 2,000 shares of ST Łódź Rewolucji 1905 Sp. z o.o.;
 - b. 100 shares of ST Katowice Krasińskiego Sp. z o.o.;
 - c. 100 shares of ST Łódź Rembelińskiego Sp. z o.o.;
 - d. 2 shares of Studentenwohnheim Prager Strasse GmbH;

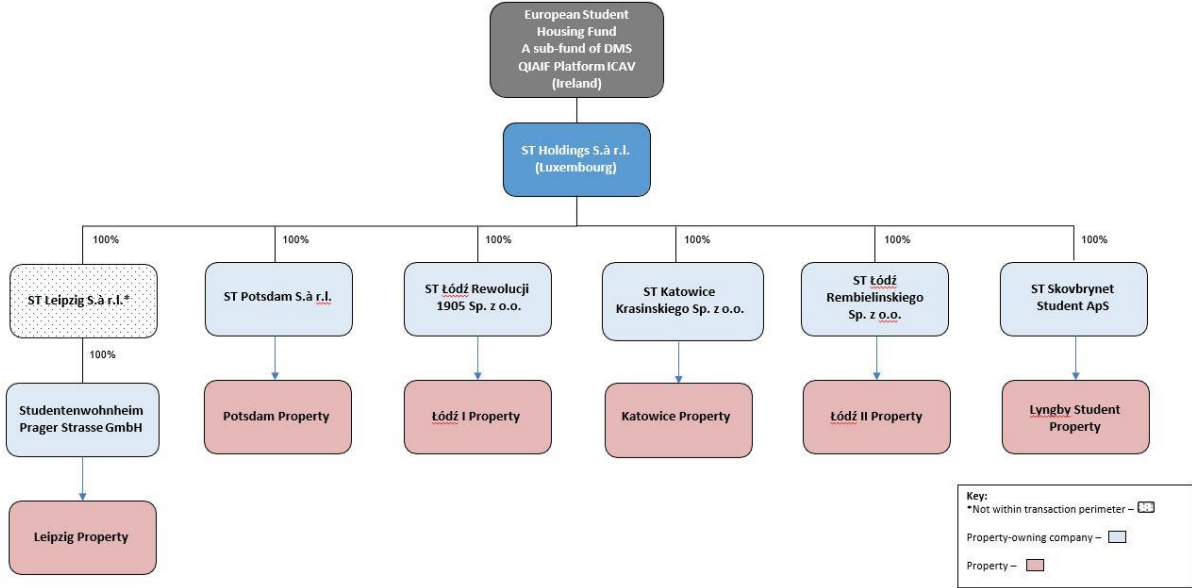
- e. 12,500 shares of ST Potsdam S.à r.l.; and
 - f. 2,000,000 shares of ST Skovbrynet Student ApS; and
- (ii) E2H will contribute:
- a. 50,000 shares of ESHF 2 Aarhus Residential ApS;
 - b. 125,000 shares of ESHF 2 Aarhus Student ApS;
 - c. 50,000 shares of BC Student Malmö AB; and
 - d. 51,000 shares of ESHF 2 Birketinget ApS.

The Contributed Companies own the following properties (the “**Properties**”):

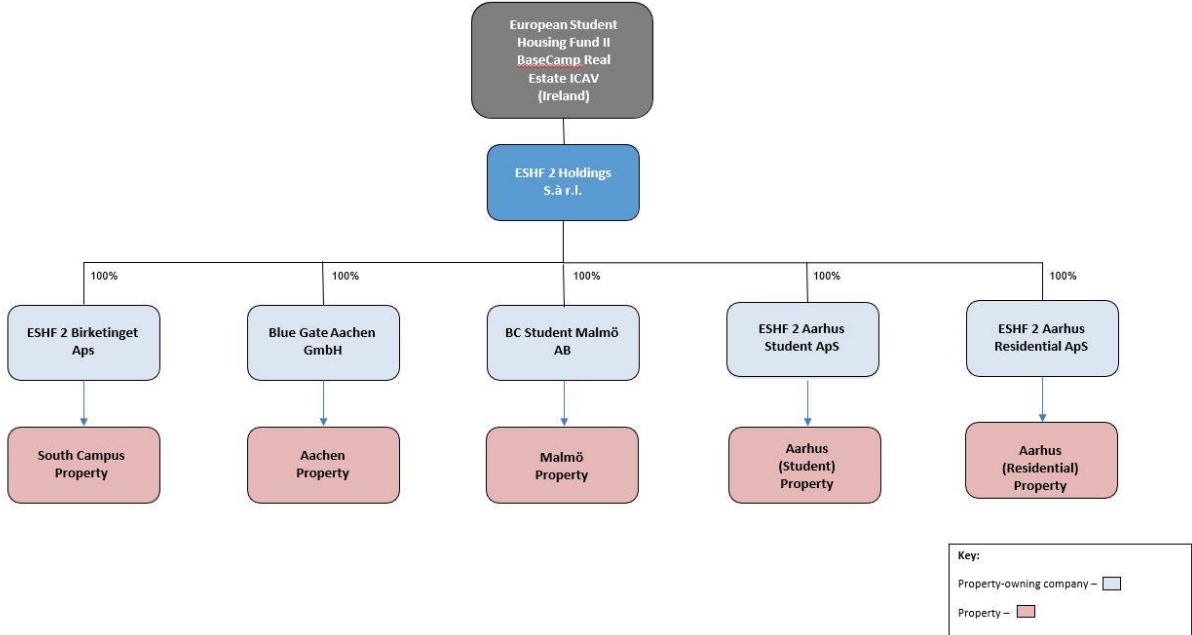
- (i) ST Łódź Rewolucji 1905 Sp. z o.o., which is held by STH, owns a student accommodation asset located at Rewolucji 1905 Street 45, Łódź, Poland, which offers a total of 623 beds;
- (ii) ST Katowice Krasińskiego Sp. z o.o., which is held by STH, owns a student accommodation and commercial space asset located at ul. Paderewskiego 30, Katowice, Poland, which offers a total of 733 beds with 1,840 square meters of commercial space;
- (iii) ST Łódź Rembielińskiego Sp. z o.o., which is held by STH, owns a student accommodation and commercial space asset located at Rajmunda Rembielińskiego Street 16/18, Łódź, Poland, which offers a total of 631 beds with 2,300 square meters of commercial space;
- (iv) Studentenwohnheim Prager Strasse GmbH, which is held by STH, owns a student accommodation asset located at Prager Strasse 53, 04317, Leipzig, Germany, which offers a total of 412 beds;
- (v) ST Potsdam S.à r.l., which is held by STH, owns a student accommodation asset located at Liegenschaft Kossätenweg 25, 14476, Potsdam, Germany, which offers a total of 263 beds;
- (vi) ST Skovbrynet Student ApS, which is held by STH, owns a student accommodation asset located at Skovbrynet 2 and 2A, 2800 Kongens, Lyngby, Denmark, which offers a total of 639 beds;
- (vii) ESHF 2 Aarhus Residential ApS and ESHF 2 Aarhus Student ApS, which are held by E2H, own (a) a student accommodation and commercial space asset under development with title no. 117xm, Århus Markjorder, located at Helsingforsgade 6K, 8200 Aarhus N, Denmark, and (b) a student accommodation and commercial space asset under development with title no. 117xp, Århus Markjorder, located at Jens Baggesens Vej 51, 8200 Aarhus N, Denmark, respectively, which are expected to open in August 2023 and offer 663 rooms in aggregate;
- (viii) BC Student Malmö AB, which is held by E2H, owns a student accommodation asset under development located at Einar Hansens Esplanad 10, Stormastgatan 4, T Malmö, Sweden, which is expected to open in August 2023 and offer 583 rooms; and
- (ix) ESHF 2 Birketinget ApS, which is held by E2H, owns a student accommodation asset with title no. 990 Sundbyvester, København located at Birketinget 6, 2300 Copenhagen S, Denmark, which offers a total of 350 beds.

A structure chart of the Contributed Companies, showing also the Properties, set out below:

ESHF I



ESHF II



2.2 The Shareholder Loans

The Shareholder Loans are shareholder loans granted by STH and E2H (or their subsidiaries) to the Contributed Companies for purposes of financing the development and operations of the Properties and are as follows:

- (i) an interest-bearing loan facility agreement dated 20 June 2017 between ST Skovbrynet Student ApS and STH, as amended on 30 June 2021;
- (ii) an interest-bearing loan facility agreement dated 1 July 2021 between ESHF 2 Aarhus Student ApS and E2H, as amended on 14 December 2021;
- (iii) an interest-bearing loan agreement dated 15 November 2016 between ST Potsdam S.à r.l. and STH, as amended on 10 May 2021;
- (iv) an interest-bearing loan facility agreement dated 1 June 2021 between BC Student Malmö AB and E2H;
- (v) an interest-bearing loan facility agreement dated 7 October 2016 between ST Katowice Krasieńskiego Sp. z o.o. and STH, as amended on 6 November 2019, 27 October 2020 and 2 February 2022;
- (vi) an interest-bearing loan facility agreement dated 7 October 2016 between ST Łódź Rembielińskiego Sp. z o.o. and STH, as amended on 9 October 2019 and 26 March 2020;
- (vii) an interest-bearing loan facility agreement dated 7 October 2016 between ST Łódź Rewolucji 1905 Sp. z o.o. and STH, as amended on 8 June 2017, 26 September 2018, 18 February 2019 and 12 September 2019;
- (viii) an interest-bearing loan facility agreement dated 22 September 2016 between Studentenwohnheim Prager Strasse GmbH and STH; and
- (ix) a loan between Studentenwohnheim Prager Strasse GmbH and ST Leipzig S.à r.l., with first payment made on 31 August 2015.

2.3 The Danish OpCos

The Danish OpCos are held at 80% by BaseCamp, with the remainder (20%) being held by CDJD Invest ApS. They provide project management and property management services, including to the Danish and Swedish Properties. BC Skovbrynet Residential ApS, a fully-owned subsidiary of BaseCamp Student Real Estate ApS, owns a residential and senior accommodation asset, title no. 1ho, Kgs. Lyngby By, Kgs. Lyngby, located at Skovbrynet 4, DK-2800 Kongens, Lyngby, Denmark, which offers 147 apartments.

2.4 BaseCamp

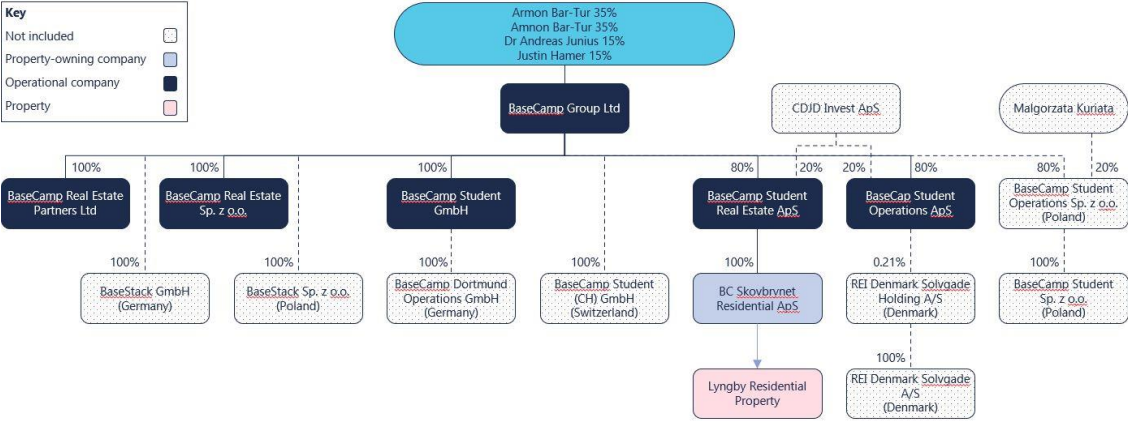
BaseCamp is held by Mr Armon Bar-Tur at 35%, Mr Amnon Bar-Tur at 35%, Mr Andreas Junius at 15% and Mr David Justin Hamer at 15% (the “**BaseCamp Shareholders**”).

BaseCamp (including through its subsidiaries) is a real estate investment adviser, developer and property manager of purpose-built student accommodations (“**PBSA**”) in Poland, Germany, Sweden and Denmark, with operations also in the United Kingdom. BaseCamp focuses on creating enhanced student accommodation, through building design and operations led by hospitality professionals and students.

BaseCamp has developed, operated and managed properties (including the Properties and the property held by Blue Gate Aachen) for the benefit of ESHF I and ESHF II, whose investment strategy is primarily

to create high quality direct let student accommodation within identified target markets (including Poland, Germany, Sweden and Denmark).

A structure chart of BaseCamp and its subsidiaries (including the Danish OpCos), prior to any liquidation or carve-out for companies that are not in the scope of the Transaction, is set out below:



2.5 Blue Gate Aachen

Blue Gate Aachen is a special purpose vehicle held by E2H at 54.9%, with the remained being held by Triton Europe Investments One Ltd (5.1%) and HARFID Holding GmbH (40%). It owns a student accommodation, office space, gastronomy and retail space asset under development located at Zollamtstrasse 5, 52064, Aachen, Germany, which is expected to open in August 2023 and offer 300 student rooms and 160 serviced apartments.

3. The Transaction

3.1 Structure of the Transaction

The Contributions are part of a larger transaction which is structured and sequenced as follows:

- (i) the Contributions which are expected to take place on the date of the Extraordinary General Meeting (the “Closing Date”), in accordance with the terms and conditions of a share contribution agreement of 30 May 2022 entered into between STH, E2H and the Company, as amended on 4 August 2022 and as further amended from time to time;
- (ii) the acquisition by the Company of all the shares of the Danish OpCos from their shareholders and the receivable of the loan granted to BaseCamp Student Operations ApS by its majority shareholder, BaseCamp, for purposes of financing its operations (the “Danish OpCo Shareholder Loan”) against a consideration in cash, on the Closing Date simultaneously with the Contributions in accordance with the terms and conditions of a share purchase agreement of 30 May 2022 entered into between BaseCamp and the Company, as amended from time to time, and a share purchase agreement to be entered into between CDJD Invest ApS and the Company between the date hereof and the Closing Date, as amended from time to time (the “Danish OpCos Acquisition”);
- (iii) the contemplated subsequent acquisition by the Company of all the shares of BaseCamp

from its shareholders (including its fully owned subsidiaries BaseCamp Real Estate Partners Ltd, BaseCamp Real Estate Sp. z o.o. and BaseCamp Student GmbH), after the Closing Date in accordance with the terms and conditions of an option agreement of 30 May 2022 entered into between the BaseCamp Shareholders and the Company, as amended from time to time (the “**BaseCamp Acquisition**”); and

- (iv) the contemplated subsequent acquisition by the Company of shares of Blue Gate Aachen GmbH from its shareholders, after the Closing Date in accordance with the terms and conditions of the share contribution agreement of 30 May 2022 in respect of 89.9% of such shares and any further agreement entered into pursuant to it (the “**BGA Acquisition**”),

being together, the “**Transaction**”.

(a) The Contributions and the Danish OpCos Acquisition

On the Closing Date, the Contributed Companies and the Shareholder Loans will be acquired by the Company through the Contributions simultaneously with the acquisition of the Danish OpCos and the Danish OpCo Shareholder Loan by the Company by way of payment in cash.

The Contributions are conditional on (i) the approval by the extraordinary general meeting of the Company with the applicable quorum and voting rights majorities as set out in the Belgian Code of companies and associations, and (ii) the issuance of the New Shares as consideration for the Contributions and the partial renewal and extension of the authorised capital as proposed to the Extraordinary General Meeting. Further, the Contributions and the Danish OpCos Acquisition are conditional on each other occurring.

(b) The BaseCamp Acquisition

The BaseCamp Acquisition is subject to either the Company exercising its call option under the option agreement of 30 May 2022 (the “**BaseCamp Call Option**”) to acquire all the shares of BaseCamp from the BaseCamp Shareholders, or the BaseCamp Shareholders exercising their put option under the option agreement of 30 May 2022 (the “**BaseCamp Put Option**”) to require the Company to acquire all their shares of BaseCamp.

The exercise of the BaseCamp Call Option or the BaseCamp Put Option, as the case may be, is conditional on the completion of the Danish OpCos Acquisition occurring. The BaseCamp 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 of 30 May 2022. If the BaseCamp Call Option has not been exercised between 1 March 2023 and 31 March 2023 nor postponed by the Company in accordance with the option agreement of 30 May 2022, the BaseCamp Put Option may be exercised from 1 April 2023 to 30 April 2023. If the BaseCamp Call Option is postponed in accordance with the option agreement of 30 May 2022, it will be exercisable from 1 October 2023 to 31 March 2024 and the BaseCamp Put Option from 1 April 2024 to 30 April 2024.

The right of the Company to postpone the exercise of the BaseCamp Call Option and the BaseCamp Put Option has been built in to ensure that the BaseCamp Acquisition can be completed in a manner compliant with article 6 of the Belgian Law of 12 May 2014 on regulated real estate companies, in particular that the BaseCamp Acquisition does not result in the total of third party assets under

management by the perimeter companies of the Company exceeding 10% of the total consolidated assets of the Company upon the completion of the BaseCamp Acquisition. For such purpose, the Company envisages enlarging its asset base in line with its investment criteria, its corporate interest and the interest of its stakeholders prior to the commencement of the relevant BaseCamp Call Option exercise period (thereby increasing the denominator, i.e. the total consolidated assets of the Company), and the BaseCamp Shareholders and the Company will work together in good faith to carve out or terminate prior to the completion of the BaseCamp Acquisition certain agreements pursuant to which the BaseCamp Group manages assets of third parties (thereby decreasing the numerator, i.e. the total of third party assets under management by the (future) perimeter companies of the Company).

In the event the BaseCamp Call Option or the BaseCamp Put Option is exercised within its original term, the Company shall acquire all the shares of BaseCamp by way of a contribution in kind pursuant to articles 7:196 and 7:197 of the Belgian Code of companies and associations on the date falling 15 business days after notice of such exercise is delivered. In the event the exercise of the BaseCamp Call Option or the BaseCamp Put Option is postponed in accordance with the option agreement of 30 May 2022, the exercise price of the BaseCamp Call Option shall be due by the Company even if the BaseCamp Call Option has not been exercised yet and the receivable of such exercise price in favour of the BaseCamp Shareholders shall be contributed in kind by the BaseCamp Shareholders to the capital of the Company within 15 business days after notice of such postponement. The transfer of all the shares of BaseCamp from the BaseCamp Shareholders to the Company will then take place only upon the actual exercise of the BaseCamp Call Option or BaseCamp Put Option (as postponed) in accordance with the option agreement of 30 May 2022, with no additional compensation being due by the Company to the BaseCamp Shareholders upon transfer.

The Company expects the board of directors of the Company (the “**Board of Directors**”) to use the authorisation proposed to be granted to it by the Extraordinary General Meeting to increase the capital of the Company in one or more occasions under certain conditions, for purposes of the acquisition of all the shares of BaseCamp and/or the payment of the consideration due in connection therewith by way of contributions in kind pursuant to articles 7:196 and 7:197 of the Belgian Code of companies and associations, such that no additional extraordinary general meeting of the Company will be expected to be convened for such purpose.

(c) The BGA Acquisition

The BGA Acquisition is subject to the Company and E2H agreeing on a mutually acceptable structure for the Company to acquire 89.9% of the shares of Blue Gate Aachen, without prejudice to agreeing to acquire more of Blue Gate Aachen, and documenting such transaction in a long-form agreement at terms as agreed in the share contribution agreement of 30 May 2022 and otherwise substantially similar than the share contribution agreement of 30 May 2022. The closing of the BGA Acquisition will be conditional upon (i) the commercial space in the property owned by Blue Gate Aachen being fully rented as at 1 September 2023 with a total rent income at least equal to the rent income set out in the business plan for such property, (ii) the transaction structure resulting in the Company acquiring (at least) 89.9% of the shares of Blue Gate Aachen, and (iii) in case the BGA Acquisition is consummated by way of a contribution in kind against issuance of new shares, the approval by the extraordinary general meeting of the Company with the applicable quorum and voting rights majorities as set out in the Belgian Code of companies and associations.

3.2 Context and business rationale

Student housing is a real estate asset class that has demonstrated, over the last years specifically, as seen in the rising valuations and stable (high) occupancy rates published by the Company throughout the COVID-19 pandemic, to be both highly resilient, stable and attractive for investors. By contrast to more mature markets like the United Kingdom, most markets for student housing in continental Europe are still very much defined by a fragmented and undersupplied supply, especially when it comes to professionally managed, purpose-built student housing that meets the demands of today's students.

The continued growth in both international and domestic students in these markets, coupled with the rise in regulatory and safety requirements have meant that historic supply of student rooms has not kept up with demand, creating a significant market opportunity for suppliers of PBSA.

While hybrid education models (combining on-campus and online instruction) have received a boost from the COVID-19 crisis, the crisis has also further demonstrated the value of on-campus instruction, and the added value brought by student life, where safe, healthy and attractive accommodations are key.

Through the Transaction, the Company and BaseCamp, two European market leaders, join forces, creating continental Europe's largest student accommodation platform. The transaction consolidates the Company's position as the continental European listed leader in student housing and increases the Company's footprint by promptly becoming operational in Germany, Denmark and Sweden and reinforcing its position in Poland.

The Company combined with the BaseCamp's portfolio will lead to higher geographical diversification in some of Europe's wealthiest regions. On top of this, the Company will be joined by circa 100 employees that are locally embedded and have ample experience in the PBSA sector.

In addition, BaseCamp comprises a development team, which is complementary to the capabilities available within the Company and which could help the Company with developing future properties, in all countries where they are active, in-house instead of by third party development companies.

The Company's and BaseCamp's aligned business strategy encompassing efficient operations and commitment to future growth allowed the Company and BaseCamp to come to an agreement on the Transaction.

The Transaction is expected to be earnings accretive in 2022 and 2023 whilst maintaining a prudent leverage position.

The Transaction is implemented using mainly contributions in kind (i.e. for the Contributions, the BaseCamp Acquisition and the BGA Acquisition) rather than another financing structure that would have raised the purchase price paid in cash due to the time and costs involved. For example, a rights issue would have delayed the completion of the Transaction by at least six months and would have vastly increased the transaction costs. This would have additionally caused significant deal uncertainty for STH, E2H and the BaseCamp Shareholders, which would have jeopardised the Transaction as a whole. In light of the fact that the Transaction would be accretive to the existing shareholders of the Company

as of the Contributions, speed and deal certainty were prioritised (while allowing shareholders to vote on the Transaction).

3.3 Main terms of the Transaction

(a) The Contributions

Conditions precedent

As set out under paragraph 3.1(a), the Contributions are conditional on the approval by the Extraordinary General Meeting.

Consideration

Reference is made to the board report prepared in accordance with articles 7:179, §1, al. 1 and 7:197, §1, al. 1 of the Belgian Code of companies and associations, for the attention of the shareholders and in the context of the Extraordinary General Meeting for a description of the aggregate amount to be remunerated in respect of the Contributions. The report is published on the Company website (www.xior.be/nl/investor/investor-relations/general-meeting/).

The consideration does not represent a premium to the net asset value of the Contributed Companies.

Warranties, tax covenant and specific indemnities

Customary warranties for mergers and acquisitions have been given by STH and E2H in relation to their own capacity, the title to the shares of the Contributed Companies and the Properties, as well as the financials, business and operations of the Contributed Companies, to the Company's benefit. Specific indemnities in respect of specifically identified risks and customary tax warranties and indemnities have also been granted to the Company's benefit.

The warranties and indemnities are subject to customary time and financial limitations, and the warranties are backed by the warranty and indemnity insurance policies and a title insurance policy.

The Company has also granted certain warranties in favour of STH and E2H. Such warranties are subject to substantially similar time and financial limitations as applying to the warranties granted by STH and E2H to the Company's benefit.

NOI guarantee, forward funding and other arrangements in respect of Properties under development

STH and E2H have granted minimum net operating income guarantees to the Company in respect of the Properties over a period ranging from 12 months to 18 months for operational Properties and 24 months for Properties under development.

Further, in respect of the Properties under development, STH, E2H and the Company have agreed on certain compensation mechanics with respect to future development fees, development costs (costs overruns and underruns) and forward funding costs.

Restrictions on transfer of the New Shares and on the exercise of voting rights

For a period of six months following the Closing Date, STH and E2H may only transfer the New Shares by way of a private placement. Any transfer of New Shares will be implemented in such a way as to avoid allocating a number of New Shares which exceeds 5% of the shares of the Company at the time of such transfer to any single investor (whether directly or indirectly). It will further be coordinated through an investment bank to minimise share price volatility.

New Shares may not be transferred to any operator or investor controlling an operator of student housing assets, nor to any entity of which a significant portion of assets is held up in student housing (including specifically identified operators or investors).

While STH and/or E2H hold any New Shares, they will not exercise the voting rights pertaining to such New Shares.

(b) The Danish OpCos Acquisition

Conditions precedent

As set out under paragraph 3.1(a), the Danish OpCos Acquisition is conditional upon the completion of the Contributions occurring simultaneously.

Consideration

The shares held by BaseCamp and CDJD Invest ApS in the Danish OpCos and the Danish OpCo Shareholder Loan will be acquired by the Company against a payment in cash of EUR 89,000,000, subject to customary adjustments for cash, debt (including the Danish OpCo Shareholder Loan) and net working capital as at the Closing Date.

The consideration does not represent a premium to the net asset value of the Danish OpCos (including BC Skovbrynet Residential ApS) and the valuation of the property owned by BC Skovbrynet Residential ApS as agreed between BaseCamp and the Company has been certified by CBRE Limited, acting as independent valuation expert of the Company within the meaning of article 24 of the of the Belgian Law of 12 May 2014 on regulated real estate companies.

Such consideration will be paid on Closing to BaseCamp and CDJD Invest ApS, on the basis of estimated figures of such cash, debt and net working capital as at the Closing Date, whereby any difference with the actual figures of such cash, debt and net working capital as at the Closing Date will be settled post-Closing in cash.

Transfer of employees

In order to facilitate the operations of the Contributed Companies between the Closing Date and the completing of the BaseCamp Acquisition, BaseCamp will transfer certain employees to the relevant Contributed Companies on or as soon as practicable after the Closing Date (which will, at such point in time, be held by the Company).

Warranties, tax covenant and specific indemnities

Customary warranties for mergers and acquisitions have been given by BaseCamp in relation to its capacity, the title to its shares of the Danish OpCos and the property owned by BC Skovbrynet Residential ApS, as well as the financials, business and operations of the Danish OpCos and BC Skovbrynet Residential ApS, and the transferring employees, to the Company's benefit. Specific indemnities in respect of specifically identified risks and customary tax warranties and indemnities have also been granted to the Company's benefit. Such liabilities will be assumed by the BaseCamp Shareholders following completion of the BaseCamp Acquisition.

The warranties and indemnities are subject to customary time and financial limitations, and the warranties are backed by the warranty and indemnity insurance policies and a title insurance policy.

CDJD Invest ApS is expected to give customary warranties for mergers and acquisitions in relation to its capacity and the shares of the Danish OpCos held by it in connection with the share purchase agreement to be entered into between CDJD Invest ApS and the Company between the date hereof and the Closing Date.

NOI guarantee

BaseCamp has granted a minimum net operating income guarantee to the Company in respect of the property owned by BC Skovbrynet Residential ApS over a period of 18 months. Such liability will be assumed by the BaseCamp Shareholders following completion of the BaseCamp Acquisition.

(c) The BaseCamp Acquisition

Conditions precedent

As set out under paragraph 3.1(b), the BaseCamp Acquisition is subject to the exercise of the BaseCamp Call Option or the BaseCamp Put Option, provided that if such exercise is postponed the consideration due in connection therewith shall be due by the Company even if the BaseCamp Call Option has not been exercised yet nor the shares of BaseCamp transferred to the Company.

Consideration

The aggregate amount to be remunerated to the BaseCamp Shareholders in respect of the shares in BaseCamp is equal to:

- (i) an initial amount of EUR 36,000,000; and
- (ii) to the extent the earn-out conditions set out in the option agreement of 30 May 2022 (and summarised below) are satisfied, two subsequent amounts of up to (in aggregate) EUR 34,000,000 (the "**Earn-Out Amount**"),

whereby the initial amount is subject to customary adjustments for cash, debt and net working capital as at the completion of the BaseCamp Acquisition within its original term (or postponement thereof), and deduction of the proportion of the premium of the warranties and indemnities policy subscribed by the Company and to be borne by the BaseCamp Shareholders (EUR 204,993) (the "**Exercise Price**").

The consideration does not represent a premium to the net asset value of BaseCamp (including its subsidiaries).

The Earn-Out Amount will become due as follows:

- (i) 50% of the Earn-Out Amount will become due upon presentation by Mr Armon Bar-Tur to the Company of qualifying investment opportunities involving an aggregate investment amount of EUR 50,000,000 in equity (for a total investment amount of EUR 100,000,000, including debt) on the earliest of (x) the first anniversary of the completion of the BaseCamp Acquisition within its original term (or postponement thereof), and (y) 31 March 2024; and
- (ii) 50% of the Earn-Out Amount becomes due upon presentation by Mr Armon Bar-Tur to the Company of qualifying investment opportunities involving an aggregate investment amount of EUR 60,000,000 in equity (for a total investment amount of EUR 120,000,000, including debt) on the earliest of (x) the second anniversary of the completion of the BaseCamp Acquisition within its original term (or postponement thereof), and (y) 31 March 2025. The First Earn-Out Opportunities will be taken into account in determining whether the aforementioned threshold has been met.

As set out under paragraph 3.1(b), the Exercise Price and the Earn-Out Amount will be remunerated in new shares of the Company which are expected to be issued in the context of a capital increase of the Company by way of contribution in kind using the authorisation for authorised capital proposed to be granted to the Board of Directors by the Extraordinary General Meeting (see also the board report prepared in accordance with articles 7:199 of the Belgian Code of companies and associations, for the attention of the shareholders and in the context of the Extraordinary General Meeting). The Exercise Price will be calculated on the basis of estimated figures of cash, debt and net working capital, whereby any difference with the actual figures of such cash, debt and net working capital will be settled subsequently by way of set off against or increase of the Earn-Out Amount which will be remunerated in new shares on the relevant Earn-Out Amount payment date.

The new shares will be issued at a price per share equal to EUR 44 for the Exercise Price. For the Earn-Out Amount, the new shares will be issued at a price per share equal to the volume-weight average price per existing share on the regulated market of Euronext Brussels over the 30 trading-day period immediately preceding the relevant Earn-Out payment date, less the gross amount of coupon to be detached from the existing shares on the day prior to the relevant Earn-Out payment date (after the end of trading).

Warranties, tax covenant and specific indemnities

Customary warranties for mergers and acquisitions have been given by the BaseCamp Shareholders in relation to their capacity, the title to the shares of BaseCamp and its subsidiaries, as well as the financials, business and operations of BaseCamp and its subsidiaries, to the Company's benefit. Specific indemnities in respect of specifically identified risks and customary tax warranties and indemnities have also been granted to the Company's benefit.

The warranties and indemnities are subject to customary time and financial limitations, and the warranties are backed by the warranty and indemnity insurance policies.

The Company has also granted certain warranties in favour of the BaseCamp Shareholders. Such warranties are subject to substantially similar time and financial limitations as applying to the warranties granted by the BaseCamp Shareholders to the Company's benefit.

Restrictions on transfer of the new shares to be issued in remuneration of the Exercise Price and Earn-Out Amount

For a period of six months following the completion of the BaseCamp Acquisition within its original term (or postponement thereof) or the relevant Earn-Out Amount payment date, subject to customary exceptions, the BaseCamp Shareholders will not be entitled to transfer or encumber the new shares of the Company issued to them at such date.

Any transfer of new shares of the Company by the BaseCamp Shareholders will be implemented in such a way as to avoid allocating a number of new shares which exceeds 5% of the shares of the Company at the time of such transfer to any single investor (whether directly or indirectly). It will further be coordinated through an investment bank to minimise share price volatility.

Such new shares of the Company may not be transferred to any operator or investor controlling an operator of student housing assets, nor to any entity of which a significant portion of assets is held up in student housing (including specifically identified operators or investors).

(d) The BGA Acquisition

Conditions precedent

As set out under paragraph 3.1(c), the BGA Acquisition is subject to the Company and E2H agreeing on a mutually acceptable structure for such transaction and documenting it and other conditions precedent.

Consideration

The consideration for the BGA Acquisition would amount to EUR 134,850,000 for 89.9% of the share capital of Blue Gate Aachen, subject to customary adjustments for cash, debt and net working capital as at the completion of the BGA Acquisition. Whether such consideration would be paid in cash or remunerated by way of issuance of new shares of the Company is to be determined between the Company and E2H as part of the long-form agreement. In case of the BGA Acquisition is consummated by way of a contribution in kind against issuance of new shares, it would be further conditional upon the approval by the extraordinary general meeting of the Company with the applicable quorum and voting rights majorities as set out in the Belgian Code of companies and associations. The price per new share would be the volume-weighted average price per share on the regulated market of Euronext Brussels over the 30 trading-day period immediately preceding the completion of the BGA Acquisition, *less* the gross amount of the coupon to be detached from the existing shares of the Company on the day prior to the completion of the BGA Acquisition (after the end of trading), *multiplied* by 0.95 (representing a 5% discount on the volume-weighted average price per share).

The consideration does not represent a premium to the net asset value of Blue Gate Aachen and the valuation of the property owned by Blue Gate Aachen as agreed between E2H and the Company has been certified by CBRE Limited, acting as independent valuation expert of the Company within the meaning of article 24 of the of the Belgian Law of 12 May 2014 on regulated real estate companies.

Other terms and exclusivity

The terms of such agreement between the Company and E2H would otherwise be substantially similar to those of the share contribution agreement of 30 May 2022 and set out in separate long-form documentation between the Company and E2H to be entered into after the Closing Date.

In light of the aforementioned, E2H has granted a right of exclusivity in respect of Blue Gate Aachen and the property owned by it in favour of the Company until the earlier of (i) the execution of the long-form documentation regarding the BGA Acquisition, and (ii) 31 March 2023. During that period, E2H and Blue Gate Aachen will not solicit, encourage or accept any offer or enter into any agreement in respect of the acquisition of any share in Blue Gate Aachen or any interest in the property owned by it other than with the Company.

4. Completion of the Contributions and Extraordinary General Meeting

4.1 Approval of the Contributions

The Company convenes its shareholders to approve the Contributions and the resulting Capital Increase and issue of the New Shares at the Extraordinary General Meeting. The detailed agenda can be found in the convening notice to the Extraordinary General Meeting published on the Company website (www.xior.be/nl/investor/investor-relations/general-meeting/).

The approval of the Contributions will involve the contribution in kind of all the shares of the Contributed Companies and of the receivables of the Shareholder Loans (in principal and interests outstanding upon contribution). Such approval will require the positive vote of at least 75% of the existing shares of the Company present and represented at the meeting.

The total aggregate value of and consideration for the Contributions as agreed by and between STH, E2H and the Company is set at EUR 669,600,000, subject to adjustments for cash, debt (excluding the Shareholder Loans) and net working capital of the Contributed Companies as at the Closing Date, and after deduction of the proportion of the premium of the warranties and indemnities and title insurance policies subscribed by the Company and to be borne by STH (EUR 616,023) and E2H (EUR 924,034).

The consideration for the Contributions will be calculated on the basis of estimated amounts of cash, debt and net working capital as at the Closing Date and will be paid out in new shares of the Company issued on the Closing Date at a fixed price of EUR 44 per share. Any difference with the actual amounts of such cash, debt and net working capital as at the Closing Date will be settled post-closing in cash after the Closing Date.

For further information, including on the estimated value of the Contributions for purposes of the Capital Increase based on agreed property valuations and specific adjustments and the updated and final value of such Contributions, reference is made to the board report prepared in accordance with articles 7:179,

§1, al. 1 and 7:197, §1, al. 1 of the Belgian Code of companies and associations, for the attention of the shareholders and in the context of the Extraordinary General Meeting for a description of the aggregate amount to be remunerated in respect of the Contributions. Both documents are published on the Company website (www.xior.be/nl/investor/investor-relations/general-meeting/).

4.2 Partial renewal and extension of the authorisation for authorised capital

The Company further proposes to the Extraordinary General Meeting to partially renew and extend the authorisation regarding the authorised capital in accordance with article 7:199 of the Belgian Code of companies and associations. Amongst others, the Company proposes to the shareholders to specifically approve an authorisation for contribution in kind related to the BaseCamp Acquisition and/or the payment of the consideration due in connection therewith by way of which the Board of Directors will be able to increase the capital on one or more occasions without intervention of the extraordinary general meeting for an amount of up to EUR 40,000,000, which will be sufficient to complete the BaseCamp Acquisition and/or pay the consideration due in connection therewith.

For further information, reference is made to the board report prepared in accordance with article 7:199 of the Belgian Code of companies and associations for the attention of the shareholders and in the context of the Extraordinary General Meeting and published on the Company website (www.xior.be/nl/investor/investor-relations/general-meeting/).

4.3 Approval of the revised remuneration policy

In the context of the Transaction, the Company prepared a new long-term incentive plan for the executive management of the Company after the Transaction (see paragraph 7). Such long-term incentive plan constitutes a material change of the current remuneration policy in accordance with article 7:89/1, §3 of the Belgian Code of companies and associations and requires the explicit approval of the shareholders' meeting, which will be solicited at the Extraordinary General Meeting.

4.4 Authorisation to purchase own shares

In the context of the aforementioned long-term incentive plan, the Company also proposes to the Extraordinary General Meeting to grant to the Board of Directors the authorisation to acquire shares of the Company in accordance with article 7:215 of the Belgian Code of companies and associations and subject to certain terms and conditions. Such authorisation is required for the executive management to be able to purchase Company's shares from the Company in accordance with the long-term incentive plan.

5. Consequences of the Contributions

5.1 Current number of shares and share capital

On the date of this explanatory note, the share capital of the Company amounts to EUR 504,203,796 and is fully paid-up. It is represented by 28,011,322 existing shares, without nominal value and each existing share entitles its holder to one vote.

The main shareholders in the Company are currently Aloxe NV holding 17.29% and AXA Investment Managers S.A. holding 6.28% on the basis of the most recent transparency declarations. The other shares are held by the public in free float.

5.2 Consequences for the rights of the existing shareholders

Upon completion of the Contributions the share capital of the Company will be increased by the number of new shares issued *multiplied* by the shares' accounting par value of EUR 18, and there will be a number of shares equal to the existing shares *plus* the new shares (the "**Capital Increase**").

As a result of the Contributions and the Capital Increase, the percentage participation in the Company of the existing shareholders will be diluted. In particular, for the existing shareholders, it will lead to a future dilution of voting rights, dividend rights, the proceeds of the liquidation of the Company and other rights attached to the shares of the Company (such as the statutory preferential subscription right or irreducible allocation right in the case of a capital increase in cash, as the case may be). Reference is made to the board report prepared in accordance with articles 7:179, §1, al. 1 and 7:197, §1, al. 1 of the Belgian Code of companies and associations and published on the Company website (www.xior.be/nl/investor/investor-relations/general-meeting/) for an illustrative example of the effect of such dilution on the existing shareholders.

As the final number of newly issued shares within the framework of the Contributions is currently not yet determined, it is not possible at the date of this report to calculate the exact dilution to be caused by the Capital Increase. The final number of new shares to be issued will be determined on or prior to the Closing Date and announced in a press release on the Company's website.

5.3 Secondary sale

After the New Shares have been issued to them, STH and E2H may decide to place all or a portion of the New Shares by way of a private placement, which would allow the existing shareholders of the Company to participate in the Contributions. If such a private placement were to take place, the reference shareholder of the Company, Aloxe NV, has once again the intention to participate as a buyer in this possible private placement of the new shares.

STH and E2H may at their discretion also decide to retain ownership of the New Shares, for example where there is market and pricing uncertainty.

Such private placement would be done without the Company's involvement.

6. Prospectus

In connection with the listing and admission to trading on the regulated market of Euronext Brussels of the New Shares that will be issued to STH and E2H in connection with the Contributions, the Company will prepare a prospectus which will be submitted for approval with the Belgian Financial Services and Markets Authority ("**FSMA**") in accordance with article 20 of the 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**") and, subject to such approval, published before the Extraordinary General Meeting.

The prospectus will be drawn up as a simplified prospectus consisting of separate documents in accordance with articles 6(3), 10 and 14 of the Prospectus Regulation. The securities note will be drawn

up in accordance with Annex 12 and the universal registration document in accordance with Annex 2 of the 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 Regulation (EC) 809/2004 (the “**Delegated Regulation 2019/980**”), and the essential information will be included in a summary prepared in accordance with article 7 of the Prospectus Regulation and article 1 to 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 Delegated Regulation (EU) 382/2014 and Commission Delegated Regulation (EU) 2016/301.

In accordance with article 18 of the Delegated Regulation 2019/980, additional information with respect to the Contributed Companies that investors need to make an informed investment decision will be included in the securities note. Similar additional information will also be included in respect of the Danish OpCos, BC Skovbrynet Residential ApS, BaseCamp and its subsidiaries and Blue Gate Aachen, whose contemplated (subsequent) acquisitions represent significant financial commitments for the Company by aggregation with the Contributions within the meaning of Article 18 of the Delegated Regulation 2019/980 (other than Blue Gate Aachen).

The prospectus only concerns the issue of the New Shares, so no offer of shares will be made and no one will take any action that would, or is intended to, permit an offering in any country or jurisdiction where any such action for such purpose is required, including Belgium.

An application will be made by the Company for the listing of the New Shares under the symbol XIOR. The listing of the New Shares is expected to be effective when the markets open on the day after the Closing Date.

Following the issuance of the new shares to be issued as consideration for the Exercise Price and the Earn-Out Amount in connection with the BaseCamp Acquisition, the Company will also apply for the listing and admission to trading of such shares on the regulated market of Euronext Brussels under the symbol XIOR. The listing and admission to trading will be expected to be effective when the markets open on the day after the issuance of the relevant new shares.

7. Information on the New Shares

All New Shares will be issued in accordance with Belgian law and will be fully paid-up, ordinary, non-par-value shares in the same type as the existing shares of the Company with voting rights and representing the capital. They will have the same rights as the existing shares of the Company, on the understanding that, as a result of the detachment from the existing shares of the Company of coupons no. 17, 19 and 20 on 25 February 2021 (after the end of trading), 3 December 2021 (after the end of trading) and 23 May 2022 (after the end of trading), respectively, and, in principle, coupon no. 21 on the day prior to the Closing Date (after the end of trading), they will not participate in the Company's results for the financial year 2021 and they will only participate *pro rata temporis* in the Company's results for the current financial year 2022 starting from the Closing Date.

The New Shares will therefore be issued with coupons no. 22 and following attached; coupons no. 17, 19 and 20 represent the dividend right for the financial year 2021 and have been detached from the existing shares of the Company on 25 February 2021 (after the end of trading), 3 December 2021 (after the end of trading) and 23 May 2022 (after the end of trading), respectively, and coupon no. 21 represents the right to the proportionate dividend for the current financial year for the period from 1 January 2022 up to and excluding the Closing Date and will, in principle, be detached from the existing shares of the Company on the day prior to Closing (after the end of trading).

The New Shares will be allocated ISIN code BE0974288202, which is the same code as the one used for the existing shares of the Company.

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.

8. Conduct of the activities after the Transaction

As of completion of the Contributions on the Closing Date, the Contributed Companies (and similarly the Danish OpCos and BC Skovbrynet Residential ApS as of completion of the Danish OpCos Acquisition, BaseCamp and its subsidiaries as of the completion of the BaseCamp Acquisition and Blue Gate Aachen as of completion of the BGA Acquisition) will become permiter companies (as defined in article 1 of the Belgian Law of 12 May 2014 on regulated real estate companies) of the Company.

The Company expects to continue the activities of the above companies as presently conducted but in a manner integrated within the Company. In particular:

- (i) BaseCamp and BaseCamp Real Estate Partners Ltd will continue to provide real estate investment advisory services to (the alternative investment fund managers of) ESHF I and ESHF II and their remaining investment vehicles in accordance with the terms of the relevant investment advisor agreements and in compliance with the Belgian Law of 12 May 2014 on regulated real estate companies, until the disposal of all the remaining investments of ESHF I and ESHF II and the subsequent liquidation of ESHF I expected on 15 October 2023 and ESHF II expected on 27 October 2025; and
- (ii) BaseCamp and its subsidiaries will continue to provide project and property management services to the remaining investment vehicles of ESHF I and ESHF II with properties in development and operational properties, respectively, in accordance with the terms of the relevant project and property management agreements and in compliance with the Belgian Law of 12 May 2014 on regulated real estate companies, until the expected disposal of those assets, on or prior to the liquidation of ESHF I expected on 15 October 2023 and ESHF II expected on 27 October 2025.

BaseCamp and its subsidiaries will continue to provide project management services to the Properties under development in accordance with the terms of the relevant project management agreements. BaseCamp and its subsidiaries may continue to provide property management services to the operational Properties and the property owned by BC Skovbrynet Residential ApS in accordance with the terms of the relevant property management agreements or pursuant to new agreements. In either case, all services will be provided in compliance with the Belgian Law of 12 May 2014 on regulated real estate companies and the fees for the services may be adjusted to take into account the transfer of

transferring employees (providing a portion of the services) to the Contributed Companies (see paragraph 3.3(b)).

9. Governance of the Company

The composition of the board of directors and the remuneration attributed to its members will not change as a result of the Transaction.

Mr Armon Bar-Tur will be appointed as Chief Growth Officer of the Company with effect as of the Closing Date. He will seat on the Company's Executive Committee, which will be established as of the Closing Date. Pursuant thereto, the Company's corporate governance charter will be adjusted on Closing, setting out the set-up of the Executive Committee, its role and responsibilities, the role and responsibilities of, among others, the Chief Growth Officer and the Chief Operating Officer, and the impact of such changes on the governance of the Company. The Corporate Governance Charter as adjusted for the Transaction, conditional on the completion of the Contributions and subject to the approval of the Extraordinary General Meeting with respect to the revised remuneration policy contained in it, is published on the Company website (www.xior.be/nl/investor/corporate-governance/code).

The Company and Mr Armon Bar-Tur have agreed on a long-term incentive plan to be proposed for approval to the Extraordinary General Meeting, which (i) is consistent with the the Belgian Law of 12 May 2014 on regulated real estate companies and implementing decrees, (ii) ensures involvement of Mr Armon Bar-Tur, and (iii) is open to the members of the Executive Committee (the "LTIP"). The LTIP as proposed for approval to the Extraordinary General Meeting of the Company forms part of the revised remuneration policy of the Company (contained in the corporate governance charter) and is published on the Company website (www.xior.be/nl/investor/investor-relations/general-meeting/).

Mr Armon Bar-Tur may also, as current shareholder of BaseCamp, receive a portion of the Earn-Out Amount in accordance with the terms of the option agreement of 30 May 2022.

10. Pro forma financial information

For purposes of the prospectus prepared in connection with the listing and admission to trading on the regulated market of Euronext Brussels of the New Shares (see paragraph 6), the Company has prepared unaudited *pro forma* financial information, comprising the unaudited *pro forma* consolidated statement of comprehensive result for the financial year ended 31 December 2021 and the unaudited consolidated *pro forma* statement of financial position as of 31 December 2021, to illustrate the effects of the Transaction on the Company as if it had taken place on 1 January 2021 with respect to the unaudited *pro forma* statement of comprehensive result and on 31 December 2021 with respect to the unaudited *pro forma* statement of financial position.

The unaudited *pro forma* financial information is prepared in accordance with the basis of preparation as described in the prospectus and does not purport to indicate the Company's future consolidated results of operations or financial position.

Selected *pro forma* financial information are included below:

Result accounts per 31-12-2021	The Company	BaseCamp Combined IFRS	PropCo Entities Local GAAPs	Blue Gate Aachen Local GAAP	Local GAAP to IFRS adjustments	<i>Pro forma</i> adjustments	<i>Pro forma</i> consolidated statement of comprehensive result
Net rental income	79,598	/	12,184	/	199	/	91,981
Property operating result	64,847	-245	5,920	-31	199	1,395	72,085
Operating result	90,991	-88	50,452	-183	31,657	-35,211	137,619
Net result	82,312	-772	23,450	-193	28,650	-25,872	107,575

Financial position per 31-12-2021	The Company	BaseCamp combined IFRS	PropCo Entities local GAAPs	Blue Gate Aachen Local GAAP	Local GAAP to IFRS adjustments	<i>Pro forma</i> adjustments	<i>Pro forma</i> consolidated statement of financial position
Total assets	2,076,446	11,127	580,968	90,180	33,883	94,461	2,887,066
Total equity	1,003,851	-6,657	94,338	-1,577	25,393	293,898	1,409,245
Total liabilities	1,072,593	17,785	486,631	91,757	8,490	-199,436	1,477,819

* numbers expressed in EUR thousand.

“**BaseCamp Combined**” is comprised of the Danish OpCos, BaseCamp and its other subsidiaries, excluding the subsidiaries that will be liquidated or carved-out as excluded from the scope of the Transaction, which relates to operational companies.

“**PropCo Entities**” is comprised of BC Skovbrynet Residential ApS and the Contributed Companies, which relate to property-holding entities.