

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

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

SPECIAL REPORT OF THE BOARD OF DIRECTORS

USE AUTHORISED CAPITAL AND INTENDED OBJECTIVES

Dear shareholders,

We have the honour of submitting a comprehensive written report in accordance with article 7:199, second paragraph of the Belgian Code of companies and associations concerning the proposed renewal and extension of the authorisation to the board of directors to increase the capital of the Company within the framework of the authorised capital.

This report covers the special circumstances in which the board of directors can use the authorised capital and the objectives for which it is used.

The board of directors will submit the renewal and extension of the authorised capital to the extraordinary general meeting of the Company to be held on 19 February 2024 (first extraordinary general meeting) and, if the quorum is not reached at such meeting, the second extraordinary general meeting to be held on 11 March 2024 (the "**Extraordinary General Meeting**").

The board of directors will present two alternative proposals (i.e. (a) and (b) below, and where sub-agenda item (a) will be voted on first, and sub-agenda item (b) will be voted on if sub-agenda item (a) was not approved) in agenda item 2.2:

- (a) Proposal for decision to renew the authorisation for capital increases;
 - (i) by way of contribution in cash where the possibility of exercise of the statutory preferential subscription right or irreducible allocation right by the shareholders of the Company is provided, to increase the capital for five years by a maximum amount of 50 % of the amount of the capital on the date of the Extraordinary General Meeting;
 - (ii) in the context of the distribution of an optional dividend, to increase the capital for five years by a maximum amount of 50 % of the amount of the capital on the date of the Extraordinary General Meeting;
 - (iii) through contributions in cash that do not provide the possibility for the Company's shareholders to exercise their statutory pre-emptive right of irreducible right of allotment, to increase the capital for five years by a maximum amount of 10 % of the amount of the capital on the date of the Extraordinary General Meeting; and

- (iv) Through contributions in kind, to increase the capital for five years by a maximum amount of 10 % of the capital on the date of the Extraordinary General Meeting;

provided that the capital in the context of the authorised capital can never be increased by an amount higher than the capital on the date of the extraordinary general meeting that approved the authorisation (in other words, the sum total of the capital increases applying the proposed authorisations cannot exceed the amount of the capital on the date of the extraordinary general meeting that approved the authorisation).

- (b) If the proposal under agenda item 2.2 (a) is not approved, proposal for resolution to renew the authorisation for capital increases:

- (i) By way of contribution in cash where the possibility of exercise of the statutory preferential subscription right or irreducible allocation right by the shareholders of the Company is provided, to increase the capital for five years by a maximum amount of 50 % of the amount of the capital on the date of the Extraordinary General Meeting;
- (ii) In connection with the distribution of an optional dividend, to increase the capital for five years by a maximum amount of 50 % of the amount of the capital on the date of the Extraordinary General Meeting;
- (iii) Through (i) contributions in cash that do not provide for the possibility of the Company's shareholders to exercise their statutory preferential right or irreducible right of allotment and (ii) contributions in kind, to increase the capital for five years by a maximum amount of 10 % of the amount of the capital on the date of the Extraordinary General Meeting for such contributions in total,

provided that the capital under the authorised capital can never be increased by an amount higher than the capital on the date of the extraordinary general meeting that approved the authorisation (in other words, the sum total of the capital increases applying the proposed authorisations cannot exceed the amount of the capital on the date of the extraordinary general meeting that approved the authorisation).

If the proposal for authorization to the board of directors is not approved, the authorization in place today will continue to apply.

The proposal to renew and extend the authorization for authorized capital is subject to approval by the FSMA.

In this report, the board of directors 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 AUTHORIZED CAPITAL MAY BE USED

The board of directors proposes to the shareholders of the Company to renew and extend the authorisation for authorised capital, as described below and to replace it 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. As of that date, the authorisation will expire and the renewed and extended authorisation will take its place subject to approval by the Extraordinary General Meeting.

At each capital increase, the board of directors will determine the price, issue premium, if any, and issue terms of the new securities.

Such capital increase(s) may be carried out by contribution in cash, by contribution in kind, by way of a mixed contribution or by conversion of reserves, including profits carried forward and issue premiums as well as all equity items under the statutory IFRS financial statements of Xior Student Housing (prepared pursuant to the applicable regulations on regulated real estate companies) that are convertible into capital, and with or without creation of new securities, in accordance with the rules prescribed by the Companies and Associations Code, the applicable regulations on regulated real estate companies and the Articles of Association.

In the occasion of the capital increase, accomplished within the limits of the authorized capital, the board of directors will have the authority to request an issue premium. When applicable, the issue premiums will be recorded and retained in one or more separate accounts under equity on the liabilities side of the balance sheet. The board of directors may freely decide to allocate the issue premiums, possibly after deduction of a maximum amount equal to the cost of the capital increase within the meaning of the applicable IFRS regulation, in an unavailable reserve account which will constitute a guarantee for third parties in the same way as the capital, and which, subject to its incorporation in the capital, may only be reduced or abrogated by a decision of the general meeting of shareholders deliberating in accordance with the conditions of quorum and majority required for an amendment to the articles of association.

The board of directors may also issue subscription rights (whether or not attached to another security) and convertible bonds or bonds repayable in shares, which may give rise to the creation of the same securities referred to in the preceding paragraphs, and this always in compliance with the regulation prescribed by the Companies and Associations Code, the applicable regulations on regulated real estate companies and the articles of association of Xior Student Housing.

Without prejudice to the application of Articles 7:188 to 7:194 and 7:201 of the Code of Companies and Associations, the board of directors may thereby limit or eliminate the preferential subscription right, including when this is done in favour of one or more certain persons other than staff members of Xior Student Housing or of its subsidiaries, to the extent that an irreducible allocation right is granted to the existing shareholders when allocating new securities (to the extent required by law). Such irreducible allocation right must at least comply with the modalities mentioned in Article 11.1 of the Company's Articles of Association.

Without prejudice to the application of Articles 7:188 to 7:194 of the Companies and Associations Code, the aforementioned restrictions in the context of the elimination or limitation of the preferential subscription right shall not apply (i) in the case of a contribution in cash within the framework of the authorized capital, to the extent that the cumulative amount of capital increases carried out in accordance with Article 26, §1, third paragraph of the Law of May 12, 2014 on regulated real estate companies over a period of twelve (12) months does not exceed 10% of the amount of the capital at the time of the decision to increase the capital, and (ii) in the case of a contribution in cash with limitation or waiver of preferential subscription rights, in addition to a contribution in kind within the framework of the distribution of an optional dividend, to the extent that it is effectively made payable to all shareholders.

When issuing securities against contributions in kind, the conditions set forth in Article 11.2 of the Company's Articles of Association must be complied with (including the possibility of deducting an amount corresponding to the part of the gross dividend not distributed). However, the special regulation

on the capital increase in kind set forth under Article 11.2 of the Company's Articles of Association do not apply in the case of the contribution of the right to dividends within the framework of the distribution of an optional dividend, insofar as it is effectively made payable to all shareholders.

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

- 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 Companies and Associations Code);
- 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 Companies and Associations Code);
- 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 Companies and Associations Code) ¹; or
- the issuance of a new kind of securities ² (article 7:201, 4° of the Companies and Associations Code).

In addition, as of the moment Xior Student Housing receives notification from the FSMA that it has been notified of a public takeover bid for its securities until the end of the bid, the board of directors cannot use its authorized capital (i) to increase capital by contributions in kind or in cash with limitation or removal of the shareholders' preferential subscription rights or (ii) to issue voting securities (or securities giving the right to subscribe for or acquire such securities) which may or may not represent the capital if they are not offered preferentially to shareholders in proportion to the capital represented by their shares (Art. 7:202, first paragraph of the Companies and Associations Code)³. Although the general meeting may expressly authorize the board of directors to do so under certain legal conditions with respect to a notice of a public takeover bid received within three (3) years, the board of directors does not request such specific authorization, which will in any event prevent it from using the authorized capital in the context of a takeover bid in the specific circumstances described in Article 7:202 of the Companies and Associations Code.

If the Extraordinary General Meeting of Xior Student Housing approves the proposal to renew and extend the authorization for authorized capital of the board of directors, then the board of directors proposes that the proposed conditions for the use of the authorized capital (and therefore the circumstances under which the Board of directors may use the authorized capital) be incorporated into the articles of association of the Company, as follows:

¹ Added to the securities held by such person, are the securities held by (i) a third party acting in its own name but on behalf of the said shareholder; (ii) a natural person or legal entity affiliated with the said shareholder (within the meaning of Article 1:20 of the Companies and Associations Code); (iii) a third party acting in its own name but on behalf of a natural person or legal entity affiliated with the said shareholder; and (iv) persons acting in concert.

² For the avoidance of doubt, it is specified that a "kind of securities" is not the same as a "category of securities." When one or a series of securities has different rights attached to it from other securities (of the same category) issued by the same company, each such series constitutes a different "kind" with respect to the other series of securities (of the same category). Shares with different voting rights, as well as shares without voting rights, always constitute separate kinds of securities. However, the board of directors is permitted to issue a new category of securities. For example, shares constitute a different category of securities than profit certificates, certificates, bonds or subscription rights.

³ However, obligations validly entered into before the receipt of the above-mentioned notice may continue to be performed (Article 7:202 second paragraph, 1° of the Companies and Associations Code).

The entire text of the first paragraph of Article 7 will be replaced by the text that reads as follows:

"The board of directors is authorized to increase the capital, on one or more occasions, on the dates and under the conditions it shall determine:

- (a) for capital increases by way of contribution in cash providing for the possibility of the exercise of the legal preferential subscription right or of the irreducible right of allocation by the shareholders of the Company, up to a maximum amount of [50% of the amount of the capital on the date of the Extraordinary General Meeting]; ⁴
- (b) for capital increases in connection with the payment of an optional dividend, up to a maximum amount of [50% of the amount of capital on the date of the Extraordinary General Meeting]; ⁵
- (c) [IN CASE OF APPROVAL OF THE PROPOSAL UNDER SUB-AGENDA ITEM 2.2 (a):] for capital increases by way of cash contributions that do not provide for the possibility of the Company's shareholders exercising their legal preferential subscription right or irreducible allocation right, up to a maximum amount of [10% of the amount of the capital on the date of the Extraordinary General Meeting] ⁶. [IF APPROVAL OF THE PROPOSAL UNDER SUB-AGENDA ITEM 2.2 (b):] For capital increases by way of (i) cash contributions that do not provide for the possibility of exercising the legal preferential subscription right or the irreducible allocation right by the Company's shareholders and (ii) contributions in kind, up to a maximum amount of [10% of the amount of the capital on the date of the Extraordinary General Meeting] in total; ⁷
- (d) [ONLY IN CASE OF APPROVAL OF THE PROPOSAL UNDER SUB-AGENDA ITEM 2.2 (a):] for capital increases by way of contributions in kind, with a maximum amount of [10% of the amount of capital on the date of the Extraordinary General Meeting] ⁸

provided that the board of directors shall in any case never be able to increase the capital by more than the legal maximum amount, being [100% of the amount of the capital on the date of the Extraordinary General Meeting] ⁹ on the date of the Extraordinary General Meeting of [to be inserted: February 19, 2024 or, in the case of a *carens* meeting: March 11, 2024]. "

The entire text of the second paragraph of Article 7 will be replaced by the text that reads as follows:

*This authorization is valid for a period of five years from the publication in the annexes to the Belgian Official Gazette of the minutes of the extraordinary general meeting of [to be inserted: February 19, 2024 or, in the case of a *caren* meeting: March 11, 2024].*

The remaining paragraphs of Article 7 (third paragraph and following) remain unchanged.

⁴ 50% of the capital at the date of this report is three hundred and forty-four million fifty thousand one hundred and thirty-seven euros (EUR 344,050,137).

⁵ 50% of the capital at the date of this report is three hundred and forty-four million fifty thousand one hundred and thirty-seven euros (EUR 344,050,137).

⁶ 10% of the capital at the date of this report is sixty-eight million eight hundred and ten thousand thirty-four euros and sixty cents (EUR 68,810,034.60)

⁷ 10% of the capital at the date of this report is sixty-eight million eight hundred and ten thousand thirty-four euros and sixty cents (EUR 68,810,034.60)

⁸ 10% of the capital at the date of this report is sixty-eight million eight hundred and ten thousand thirty-four euros and sixty cents (EUR 68,810,034.60)

⁹ The capital at the date of this report amounts to six hundred and eighty-eight million one hundred thousand three hundred and forty-six euros (EUR 688,100,346)

2. PURPOSES FOR WHICH THE AUTHORISED CAPITAL MAY BE USED

The technique of authorized capital provides the board of directors with sufficient flexibility and speed of execution, which may be necessary to ensure, among other things, optimal representation of the interests of Xior Student Housing.

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 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 done over a short period of a few hours or a few days, using little or no promotional resources, 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 subscription right and the irreducible allocation right. 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 (applying the authorisation proposed under item (c)), 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 of directors 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 of directors 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 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 and the aforementioned purposes for their use, are not exhaustive.

3. CONCLUSION

In view of the aforementioned considerations, the board of directors is of the opinion that the renewal and extension of the authorization authorized capital is in the best interest of Xior Student Housing. Consequently, the board of directors requests the shareholders to approve the renewal and extension of the authorization authorized capital.

For the board of directors of Xior Student Housing NV,

Name: Christian Teunissen
Title: Managing Director

Name: Frederik Snauwaert
Title: Director