Xior Student Housing NV
Public Limited Company
Public regulated real estate company under Belgian law
with its registered office at Frankrijklei 64-68, 2000 Antwerp, Belgium, and with company number 0547.972.794 (Antwerp Register of Legal Entities, Antwerp division)
("**Xior Student Housing**" or "**Xior**" or the "**Company**")

LISTING AND ADMISSION TO TRADING OF UP TO 6,800,000 NEW SHARES ON THE REGULATED MARKET OF EURONEXT BRUSSELS

This securities note (including all information it incorporates by reference) (the "**Securities Note**") concerns the listing and admission to trading on the regulated market of Euronext Brussels (the "**Listing**") of up to 6,800,000 new shares without nominal value (the "**New Shares**").

The New Shares are expected to be issued in the context of a capital increase of the Company by way of contribution in kind (the "**Capital Increase**") of:

(i) all the shares of ST Łódź Rewolucji 1905 Sp. z o.o., ST Katowice Krasińskiego Sp. z o.o., ST Łódź Rembielińskiego 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 to the Contributed Companies (the "**Shareholder Loans**").

The Capital Increase and issue of the New Shares ("**Closing**") is scheduled to take place at the occasion of the extraordinary general meeting of the Company to be held on 15 September 2022 or, if the required quorum would not be reached at such first extraordinary general meeting, on 6 October 2022 (the "**Closing Date**"). Since 16 August 2022, the convening notice to such extraordinary general meeting and other information to be made available in accordance with article 7:129 of the Belgian Code on Companies and Associations (the "**BCCA**") can be consulted on the Company website (https://corporate.xior.be/en/investors/general-meeting).

The New Shares will be issued at an issue price of EUR 44 per New Share (the "**Issue Price**"). The number of New Shares to be issued will depend on the estimated value of the Contributions for purposes of the Capital Increase, which will both be (i) finally determined shortly prior to the Closing Date in accordance with the provisions of Chapters 2.3.1.2 and 7.2.1 of this Securities Note and (ii) announced in a press release on the Company website on or shortly prior to the Closing Date. As explained further in Chapter 7.2.3 of this Securities Note, the Listing will be for a maximum amount of 6,800,000 New Shares.

An application will be made by the Company for the Listing of the New Shares under the symbol XIOR on Euronext Brussels. The Listing of the New Shares is expected to be effective when the markets open on the day after the Closing Date (the "**Effective Date**").

The contribution to the capital of the Company of all the shares in the Contributed Companies and the receivables of the Shareholder Loans (the "**Contributions**") has not yet been completed at the date of this Securities Note. The completion of the Contributions is expected to take place on the Closing Date and will be confirmed in a press release on the Company website on the Closing Date.

The Contributions are part of a larger transaction, which includes:

(i) the contemplated acquisition by the Company of all the shares of BaseCamp Student Operations ApS and BaseCamp Student Real Estate ApS (the "**Danish OpCos**") from their shareholders and the receivable of the loan granted to BaseCamp Student Operations ApS by its majority shareholder (in principal and interests outstanding upon acquisition) (the "**Danish OpCo Shareholder Loan**"), on the Closing Date simultaneously with the Contributions (the "**Danish OpCos Acquisition**");

(ii) the contemplated subsequent acquisition by the Company of all the shares of BaseCamp Group Ltd ("**BaseCamp**") from its shareholders, after the Closing Date (the "**BaseCamp Acquisition**"); and

(iii) the contemplated subsequent acquisition by the Company of shares of Blue Gate Aachen GmbH ("**Blue Gate Aachen**", and together with the Contributed Companies, the Danish OpCos and BaseCamp, the "**Target Companies**") from its shareholders, after the Closing Date (the "**BGA Acquisition**"),

being together, the "**Transaction**".

WARNING: Investing in shares involves considerable risks. The Prospectus, particularly the risk factors described in Chapter 1 of this Securities Note, Chapter 1 of the Registration Document (pp. 15-25) and in sections B.3 and C.3 of the Summary (pp. 3-6), should be carefully reviewed before investing in the New Shares. The risk factors described in Chapter 1 of this Securities Note and Chapter 1 of the Registration Document (pp. 15-25) that are considered most significant based on their probability and the expected magnitude of their adverse effects have been presented first within each (sub-)category. Any decision to invest in the New Shares must be based on all the information provided in the Prospectus. Potential acquirers of the New Shares must be capable of bearing the economic risk of investing in shares and/or of suffering the full or partial loss of their investment.

THIS SECURITIES NOTE IS VALID UNTIL (AND INCLUDING) 12 SEPTEMBER 2023. The obligation to supplement a securities note in the event of significant new factors, material errors or material inaccuracies (see Chapter 4.5 of this Securities Note) does not apply when a securities note is no longer valid.

THIS SECURITIES NOTE DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE TO OR SELL THE NEW SHARES IN ANY JURISDICTION OR TO ANY PERSON. No existing shares of the Company (the "**Existing Shares**" and being together with the New Shares and any other outstanding shares of the Company, the "**Shares**") or New Shares are being offered or sold pursuant to this Securities Note.

Securities note of 13 September 2022

This Securities Note (including all information incorporated by reference), together with the 2021 annual financial report serving as registration document of the Company and published on 19 April 2022 (the "**Registration Document**") (including all information incorporated by reference) and the summary dated 13 September 2022 (the "**Summary**") constitute a prospectus (the "**Prospectus**") within the meaning of Article 10 of 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**") for the Listing of the New Shares.

This Securities Note, the Registration Document and the Summary have been prepared in accordance with the Prospectus Regulation as regards the information to be provided in the prospectus, the format of the prospectus, the incorporation of information by reference, the publication of the prospectus and the distribution of advertisements and her Delegated Regulations. More specifically, this Securities Note has been drawn up in accordance with Annex 12 and the 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 has been included in the 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 (the "**Delegated Regulation 2019/979**" and together with the Delegated Regulation 2019/980 the "**Delegated Regulations**"). The Prospectus has therefore been drawn up as a simplified prospectus in accordance with Article 14 and Article 6(3) of the Prospectus Regulation.

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 has been included in this Securities Note. Similar additional information has also been included in respect of the other Target Companies, 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 Financial Services and Markets Authority ("**FSMA**"), as competent authority under the Prospectus Regulation, approved the English version of this Securities Note and the Summary and the Dutch version of the Registration Document on 13 September 2022 in accordance with Article 20 of the Prospectus Regulation. Approval by the FSMA must not be interpreted as an approval of the Company nor as an endorsement of the quality of the New Shares to which the Prospectus relates. Investors should make their own assessment as to the suitability of investing in the Shares.

This Securities Note, the Registration Document and the Summary may be distributed separately. This Securities Note, the Registration Document and the Summary are available in English and Dutch. The Summary is also available in French. The Dutch version of this Securities Note is a translation of the English version of this Securities Note and the Company accepts responsibility for this. The Company is responsible for the consistency of the Dutch translation of this Securities Note with the approved English version of this Securities Note, for the consistency of the English translation of the Registration Document with the Dutch version of the Registration Document, and for the consistency of the Dutch and French versions of the Summary with the approved English version and will ensure that the translated versions are accurate translations of the original language versions approved by the FSMA. Investors can rely on the Dutch version of this Securities Note and the Summary and the English version of the Registration Document in their contractual relationship with the Company. In case of any inconsistency between: (i) the English version of the Summary and the Dutch or French version; (ii) the English version of this Securities

Note and the Dutch version; or (iii) the Dutch version of the Registration Document and the English version, the FSMA-approved English version of this Securities Note and the Summary and the FSMA-approved Dutch version of the Registration Document will take precedence over the other language versions, without prejudice to the Company's responsibility for the translation of this Securities Note, the Registration Document and the Summary. If there is any discrepancy between this Securities Note, the Registration Document and the Summary, this Securities Note, the Registration Document will take precedence over the Summary and this Securities Note will take precedence over the Registration Document.

The Prospectus will be made available to investors free of charge from 14 September 2022 at the Company's registered office at Frankrijklei 64-68, 2000 Antwerp, Belgium. From 14 September 2022, the Prospectus can also be consulted on the Company website (https://corporate.xior.be/en/investors/capital-increases/capital-increase-2022). Access to the above website is always subject to the usual restrictions.

The Prospectus is not published in connection with and does not constitute an offer of securities (including the Shares) by or on behalf of the Company. The distribution of the Prospectus outside Belgium may be restricted by law in certain jurisdictions. Persons in possession of the Prospectus must therefore gain information on such restrictions and comply with them. Failure to comply with such restrictions may constitute a violation of the securities legislation or regulations of such jurisdictions. In particular, the Prospectus must not be distributed, forwarded to or transferred to Switzerland, the United States, Japan, Canada, Australia or South Africa subject to certain exceptions. Shareholders with a registered address, resident or based in jurisdictions other than Belgium and any persons (including without any limitation agents, custodians, appointees and trustees) who are contractually or legally obliged to forward the Prospectus to a jurisdiction outside Belgium must comply with Chapters 3.4 and 4.9 of this Securities Note.

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

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

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1. RISK FACTORS

By definition, each investment in shares involves considerable risks. This Chapter (i) refers to the risk factors included in Chapter 1 of the Registration Document for the details on certain risks pertaining to the Company and its activities, (ii) describes certain risks specific to the Target Companies and their activities, and (iii) describes certain risks associated with the Transaction and the New Shares, all of which are essential to allow potential investors to make an informed investment decision (being together the "**Risk Factors**").

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

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

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

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

1.1. Risks pertaining to the Company and its activities

See Chapter 1 of the Registration Document regarding the risks related to the Company and its activities.

1.2. Risks specific to the Target Companies and their activities

1.2.1 Market risks

1.2.1.1 Risks associated with an oversupply and a reduction in the demand in the student housing market, which may impact the rent level and property valuation

The Target Companies' income and portfolio value are to a very large extent related to property focusing specifically on student housing. This type of property makes up the vast majority of the Properties (87.6% based on the Fair Value of the Properties as at 31 December 2021, from which the Target Companies generated 89% of their gross rental income for the financial year ended 31 December 2021). The rent level and property valuation are strongly influenced by the supply and demand to buy or rent in the property market.

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

The demand for student rooms may also be adversely affected if any government financial aid to students (such as loans, subsidies, (housing) allowances or student grants) is scaled back or if educational institutions decide to raise their registration fees. Such a decline in demand for student housing may or may not be local, may affect a particular area of a student town, entire student town or even the entire student population in a particular country and will result in lower demand when the lease agreements are renewed with existing tenants or when new lease agreements are signed.

Any reduction in the demand for student rooms could reduce the occupancy levels and/or reduce the ability of the Target Companies to maintain or increase rent on the Properties, which would have a direct negative impact on the Target Companies' income and an indirect effect on the value of the Properties.

An oversupply of property specifically dedicated to student housing could lead to both impairment of the Target Companies' Properties (see also Chapter 1.2.2.1) as well as a reduction in the rents the Target Companies could charge to their tenants and therefore in the Target Companies' income.

As at 31 December, a 1% reduction in rental income (which, as stated, is largely generated from this student real estate) would have led to a 1% fall in the Target Companies' EBITDA.

As the Properties are largely let based on fixed-term contracts (of one year or less), such a decrease in rent prices may happen fairly quickly if the supply or demand of student housing changes in a certain region. Certain Properties (the Łódź I Property, the Katowice Property and the Łódź II Property) experience seasonal demand decreases over summer. This decline in occupancy is countered with additional sales measures targeting companies and associations that demand short term accommodation.

1.2.1.2 Risks associated with the political and economic context, including COVID-19 and the conflict between Russia and Ukraine, and with the condition of the property markets, which may impact the rental income, value and marketability of the Target Companies' business

Political and macroeconomic events present risks to the real estate and financial markets that affect the Target Companies. The economic disruption arising from COVID-19 and the long-standing conflict between Russia and Ukraine (which led to a Russian invasion in February 2022) has resulted in a general decline in equity prices, high rates of inflation and increased interest rates. These circumstances are likely to have an adverse effect on levels of employment, which may adversely impact the ability of tenants and other counterparties to comply with their rental obligations causing them to breach the terms of their leases which may materially adversely affect the Target Companies' rental income. See Chapter 1.2.1.1 of this Securities Note for the potential impact on the Target Companies of a reduction in rental income.

Uncertainty in any change to social conditions, governmental policies or any developments in the legal, regulatory and educational climate in the countries in which the Target Companies operate may affect the value and marketability of the Target Companies' business.

The Target Companies' performance will further be subject to, among other things, the conditions of the property markets in Germany, Denmark, Sweden and Poland, which will affect both the value of any assets that the Target Companies acquire and the income these assets produce. Declines in the performance of the economy or the property market could have a negative impact on the Target Companies' financial condition, business, prospects and results of operations.

There are a number of additional performance indicators that could negatively impact prices, availability, and investment potential of the property markets that the Target Companies operate in. These include demographics of the age, income, and regional preferences of actual or potential buyers. Secondly, interest rates impact the price and demand of the property markets (see also Chapter 1.2.4.2 of this Securities Note). Lower rates bring in more buyers, reflecting the lower cost of getting a mortgage, but also expand the demand for real estate, which can then drive-up prices. Property market prices often follow the cycles of the economy, but investors can mitigate this risk by buying shares in REITs or other diversified holdings that are either not tied to economic cycles or that can withstand downturns. Government policies and legislation, including tax incentives, deductions, and subsidies can boost or hinder demand in the property market. The Target Companies see the likelihood of the risk as moderate, and the impact if it does happen as moderate.

1.2.2 Property related risks

1.2.2.1 Risks associated with the evolution of the Properties' Fair Values, including impairment risks which could cause a decrease of such Fair Value, and the impact of a decrease on the Target Companies' net asset value

The Target Companies are exposed to fluctuations in the Fair Values of their Properties.

All property valuations are made on the basis of assumptions and/or information which may not prove to be accurate, and, because of the individual nature of each property, the external valuer's independent judgment.

In determining the value of the Properties, assumptions are made in respect of matters including, but not limited to, the existence of willing sellers in uncertain market conditions, title, condition of structure (including any latent defects) and services, deleterious materials, plants and machinery and goodwill, environmental matters, legal matters, statutory requirements and planning, estimated market rental values, market-based yields, expected future rental revenues from the Properties and other factors. In respect of Properties under development, the development considered achievable, assumed timescale, the assumed future development cost and an appropriate finance rate and profit rate and/or discount rate are also used to determine the property value together with market evidence and recent comparable properties where appropriate.

The adoption of different assumptions would be likely to produce different valuation results. Such assumptions may also prove to be inaccurate or not borne out by future events. Incorrect assumptions underlying the valuations could negatively affect the valuation of any Property or any property assets the Target Companies acquire and thereby have a material adverse effect on the Target Companies' financial condition. This is particularly so in periods of volatility or when there is limited real estate transactional data against which property valuations can be benchmarked. There can also be no assurance that these valuations will be reflected in the actual transaction prices, even where any such transaction occurs shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable.

The most relevant risks underlying the Fair Value of the Properties are further described throughout Chapter 1.2 of this Securities Note, and in particular:

(i) an impairment risk with regard to the Properties as a result of:

   a. wear and tear resulting from normal, structural and technical ageing and/or damage caused by tenants (see also Chapter 1.2.3.2 of this Securities Note);
   b. increasing vacancy rates (for example due to an oversupply of student housing (see also Chapter 1.2.1.1 of this Securities Note) or the impact of unforeseen circumstances;
   c. unpaid rents (see also Chapter 1.2.3.3 of this Securities Note);
   d. reduced rents when concluding new leases or renewing existing leases (see also Chapter 1.2.3.1 of this Securities Note);
   e. a change in property sale taxes; and/or
   f. incorrect plans and/or measurements on which the property valuation is based for acquisition.

(ii) the risks of investors' appetite tempering resulting from higher than average levels of inflation and increasing costs of debt financing remaining at the forefront of investors' minds. Indeed within within a 12 month period, the Euro 5 year Interest Rate Swap has increased from -0.33% in August 2021 to c.1.5% today, having peaked at almost 1.77%

in June; this volatility in rates is limiting the number of market participants, particularly those debt backed buyers who require financing to close transactions. Furthermore, the underlying increased cost of financing and inflation is putting significant pressure on refurbishment/redevelopment projects as developers are having to underwrite more expensive schemes in a backdrop of yields moving out due to financing costs;

(iii) the destabilising effect of the long-standing conflict between Russia and Ukraine may have on Poland (see Chapter 1.2.3.4 of this Securities Note); and

(iv) development risks concerning the Properties under development (being the Malmö Property, the Aarhus Properties and the Aachen Property) (see Chapter 1.2.2.2 of this Securities Note).

To the extent valuations of the Properties do not fully reflect the value of the underlying Properties, whether due to the above factors or otherwise, this may have a material adverse effect on the Target Companies' financial condition, business, prospects and results of operations.

The Target Companies see the risk described in the previous paragraphs as low, and the impact if it does happen as high. As at 31 December 2021, a 1% decrease in the Fair Value of the Properties would have had an impact of MEUR 4.5 on the Target Companies' net asset value (IFRS).

The evolution of the Properties' Fair Values during the financial year ended 31 December 2021 has however been positive with an increase of 41% (MEUR 189.6), which was driven by (i) the ongoing construction progress in the Malmö Property, the Aarhus Properties and the Aachen Property, (ii) the positive development of the average rent and occupancy across the operational property portfolio of the Target Companies as the Properties, opening during the outbreak of COVID-19, started to stabilised and such stabilised Properties increased their average rents, and (ii) slight yield compression. Katowice opened in October 2021 leading to the realisation of the full development profit in the property valuation. Polish Properties were affected by fluctuations in currency. The annualised volatility of the PLN against the EUR for the financial year ended 31 December 2021 was 5.3%.

1.2.2.2 Construction and development risks, including permit risk and cost overruns, which may impact the projected rental income

In addition to acquiring existing properties, the Target Companies invest in development projects in order to expand their property portfolio. This concerns the Malmö Property, the Aarhus Properties and the Aachen Property, representing 1,706 units out of a total of 5,341 units after the completion of such projects, or a 47% increase after the completion of such projects compared to the Target Companies' current operational Properties. As at 30 June 2022, the Target Companies have the following development projects in their Properties, with a total announced investment value of MEUR 304.2 and a total cost to completion of MEUR 106.9, which are all expected to be delivered in 2023:

Project	**Announced investment value / cost to completion (approx. MEUR)**	**Permits required to start construction present?**	**Expected completion**
Malmö Property – Malmö	84.6 / 19.2	✓	August 2023
Aarhus Properties – Aarhus	113.6 / 48.8	✓	August 2023
Aachen Property – Aachen	106 / 38.9	✓	September 2023

Development projects are associated with various risks. These include specific situations when the necessary permits to erect a building are not granted (see also Chapter 1.2.2.4 of this Securities Note) or contested, the project is delayed or cannot be executed (resulting in reduced, delayed or lost rental income) or the budget is exceeded due to unforeseen costs. The Target Companies estimate the probability of the risk of delays or cost overruns as low and estimate the potential impact as low in that case as the permits required to start the construction have been obtained and the contracts with the major suppliers of each project are concluded and prices are fixed.

The Target Companies bear the construction risk for projects representing 39.4% of the total portfolio Fair Value as at 31 December 2021. There is no permit risk at 31 December 2021 considering that all permits required to start the construction have been obtained.

The Aachen Property will however not be acquired simultaneously with the Malmö Property and the Aarhus Properties and the BGA Acquisition is subject to the fulfillement of certain conditions (see Chapter 1.3.2 of this Securities Note). There exists therefore also a possibility that the BGA Acquisition is not completed by the Company, which would mean that the construction and development risks for the Aachen Property would eventually not pass to the Company.

1.2.2.3 Risks associated with the execution of maintenance work and repairs, which may involve additional costs and temporarily impact the rental income if and when (part of) the Properties concerned are unavailable as a result thereof

The Target Companies regularly carry out maintenance work on all Properties in order to keep the Properties and their contents (seeing as the rooms are almost always furnished) in good condition and finished to a proper standard. The average age of the Properties is two years, and the cost of such maintenance in 2021 was approximately EUR 835,000, which is 0.13% of the Properties' Fair Value as at 31 December 2021 and 6.6% of the gross rental income.

As the Properties get older, the Target Companies will be obliged to carry out significant and/or structural renovations and investment programmes due to the Properties' ageing or wear and tear (due to normal, structural and technical ageing) and the building's contents, or as a result of damage to the buildings or the contents. There is also the risk that the buildings will not, or will no longer, comply with increasing (statutory or commercial) requirements in areas such as living comfort, fire safety and sustainable development (energy performance and so on), and need to be adapted accordingly. These works may lead to substantial costs and may temporarily prevent the rental of (part of) the Property in question, which may have a negative effect on the Target Companies' income.

Taking into account the relatively low average age of the Properties, the Target Companies see the risk described in the previous paragraph as low, and the impact if it does happen as moderate to high.

1.2.2.4 Risks associated with (the rejection or delay of) permits and other authorisations and the requirements to be met by the Properties, which may impact the rental income, involve additional costs and trigger penalties

The value of property is partly dependent on whether all legally required urban planning and other permits and authorisations have been issued. Obtaining permits is often time-consuming and lacks transparency, which may impact on rental income, the value of the properties concerned, and the opportunities for the Target Companies to perform their operational activities in such buildings. In addition, specific regulatory requirements may be imposed on all properties and in particular in the student housing segment (from which the Target Companies generated 89% of their gross rental income for the financial year ended 31 December 2021) and/or residential property (for example in terms of living comfort or (fire) safety). Local differences and their interpretation and/or application may also depend on the authorities involved (which, in student cities, often have their own policy with regard to controlling the supply and monitoring the quality of student housing), which may be an uncertain factor in meeting such regulatory requirements, which are often very local, detailed and technical.

The absence of the required permits or the failure to comply with permits or other regulatory conditions could result in the Target Companies being temporarily or permanently unable to let the Property concerned for the purpose of performing certain activities, as a result of which the Property cannot be let or can only be let at lower rents. In this case, the Property concerned may then be the subject of regularisation procedures or even a reorientation to another purpose or use, which may be accompanied by adjustment works, may involve additional conversion costs and may also restrict the building's letting potential (and the resulting revenues) due to environmental risks (such as historic soil contamination and the (former) presence of high-risk organisations and/or high-risk operations) and environment-related procedures, which may take a lot of time and result in investigation costs and/or other costs. An urban construction offence may also result in penalties for as long as the offence is not barred by limitation, even if a regularisation permit has been obtained and after the rules have been fulfilled by demolishing the unlawful structures. Not obtaining any permits may also mean that redevelopment is not possible and the properties concerned have to be sold, possibly at a significantly lower value, depending on the existing building and/or the development potential that has already been permitted or can be permitted.

All of the Properties in development are under construction already, therefore having secured the required construction permits. The Aarhus Properties and the Malmö Property are however yet to obtain the commissioning (occupancy) permits. All completed Properties are currently operational.

Accordingly, the Target Companies see the risk of not obtaining any permits or meeting the conditions of the permits or other regulations as low, and the potential impact would be moderate to high in that case.

1.2.2.5 Risks associated with short-stay and/or hostel activities, which may impact the overall occupancy rate and rental income

The Target Companies own certain Properties that contain short-stay and/or hostel activities, in particular the Aachen Property (expected to have 160 rooms out of a total 460 rooms dedicated to it upon completion (see also Chapter 2.4.11.4 of this Securities Note)), and to a certain extent the Katowice Property, the Łódź I Property and the Łódź II Property. Short-stay and/or hostel activities at the Polish Properties are however more of a risk-mitigating nature to counter seasonal demand decreases over summer (see also Chapter 1.2.1.1 of this Securities Note), with relatively more reliance on such activities for the Katowice Property given tourism affluence during summer and the larger size of the asset.

These activities are associated with specific risks, such as a higher risk of vacancy due to the short-term nature of this type of operation (which means that this type of property is more susceptible to brief shocks in demand as those caused by the COVID-19 crisis), competition from other players such as the hotel industry, more intensive operational follow-up and more specific regulations. During periods when, due to the COVID-19 crisis or other causes, international tourism, business trips and non-essential travel (for example by researchers, scientists, professors and parents of foreign students) are banned or severely reduced, it can be expected that the occupancy rate of the rooms operated under this concept falls sharply or goes down to zero.

No rental income was generated from short-stay operations for the financial year ended 31 December 2021. This lack of income was in part related to the COVID-19 pandemic but, in any case, rental income generated from such activities is expected to be a small part of the Target Companies' overall rental income. Taking into account the limited long-term importance of short-stay and/or hostel activities at the level of the Target Companies and the fact that they are mostly of a risk-mitigating nature (other than at the level of the Aachen Property once operational), the Target Companies see the risk related to short-stay rental income as low, and the impact of it not occurring or to a lesser extent than anticipated as low to moderate.

1.2.2.6 Risks associated with retail property, including consumer confidence, unemployment, trends in consumer spending, and tenants' departure

Certain of the Target Companies (ST Łódź Rewolucji 1905 Sp. z o.o., ST Katowice Krasińskiego Sp. z o.o., ST Łódź Rembielińskiego Sp. z o.o., as part of the Łódź I Property, the Katowice Property and the Łódź II Property, respectively) operate a number of retail spaces within their overall Property. These spaces (and by extension, these Properties) are exposed to specific risks inherent to this type of operations, such as consumer confidence, unemployment, trends in consumer spending, tenants leaving on the interim expiry date or when the rental contract expires.

The overall rental income generated from commercial rent for the financial year ended 31 December 2021 was EUR 323,000 (2.6% of the total rental income for the financial year ended 31 December 2021).

Three significant contracts in the Polish Properties are concluded with a fitness center operator "Just Gym". The operator receives a fee from the Polish Properties for the use for in-house students. The "Just Gym" leases are to subsist (unless otherwise terminated) until:

(i) for the Łódź I Property, until 9 January 2030;
(ii) for the Łódź II Property, until 6 August 2030; and
(iii) for the Katowiece Propert, until 28 October 2031.

The likelihood of the operator leaving before the end of the term is considered low, and the impact if it does happen as low to moderate.

1.2.3 <u>Operational risks</u>

1.2.3.1 Risks associated with the inability to conclude leases and have leases executed, vacancy and loss of rent

Due to their activities, the Target Companies are exposed to the risk of loss of rent associated with the departure of tenants before or on the expiry date of current rental agreements, including the additional risk of non-rental or re-rental. The short-term nature of the rental agreements the Target Companies conclude with students, which tends to be less than one year, is generally inherent to the student housing sector (from which the Target Companies generated 89% of their gross rental income for the financial year ended 31 December 2021). When tenants leave, new rental agreements may result in a lower rental income than the current rental income (for example because of an oversupply of student accommodation, see also Chapter 1.2.1.1), and it may not be possible to reduce the rental-related expenses in line with the lower rental income.

In certain countries where the Target Companies operate, a number of additional factors may have a significant impact on this risk.

In Denmark, leases are concluded open ended and can be terminated with a notice period of three months. Danish Properties represented 58% of the Fair Value of the Properties as at 31 December 2021. The rental income generated by the Danish Properties for the financial year ended 31 December 2021 was 41% of the total rental income of the Target Companies. Despite a significant portion of the total rental income being generated by the Danish Properties, based on the experience during the last six years of operation in this region, including following the outbreak of COVID-19, the probability of rent losses due to cancellation of contracts is considered low, and the impact if it does happen as low.

In Poland, the occupancy rate (for units let directly to students) comprises two distinct periods: (i) the ten-month academic year (September to June) during which leases almost exclusively cover the academic year and often cover an even shorter period (e.g. for foreign students participating in exchange programmes for one semester or on a monthly basis), and (ii) the two-month summer period (July and August), which is characterised by shorter leases (at higher rental prices). Summer rentals are often related to tourism or short-term rentals in the cities concerned. During periods when tourism or demand for short-term rentals declines, as caused by the outbreak of COVID-19, it can be expected that other providers (such as hotels and apartments) will also compete in the market for short-term rentals to students, leading to a fall in occupancy levels and market rents. On this basis, the Polish student housing markets are therefore characterised by a higher “frictional vacancy rate” and a higher management overhead (i.e. frequent check-in and check-out, administrative processing, marketing efforts) than the Danish, Germand or Swedish markets, and are more sensitive to the general economic situation and international mobility. The Polish Properties represented 15% of the Fair Value of the Properties as at 31 December 2021. The rental income generated by the Polish Properties for the financial year ended 31 December 2021 was 24% of the total rental income of the Target Companies

In Germany, leases are concluded for six months with an increase in risk of longer vacancy periods in case of a decrease in demand or oversupply. Germany represented 25% of the Fair Value of the Properties as at 31 December 2021. The rental income generated by the German Properties for the financial year ended 31 December 2021 was 35% of the total rental income of the Target Companies

1.2.3.2 Risks associated with disturbances caused by student tenants and resulting reputational damage, which may result in additional costs, reduced income and penalties

Because the Target Companies mostly let properties directly or indirectly to students (87.6% of the Fair Value of their Properties as at 31 December 2021 and 89% of their gross rental income for the financial year ended 31 December 2021), they are more at risk of receiving complaints about neighbour disturbances or nuisance and of being subjected to certain administrative or other measures for their Properties (specifically compared with other real estate (sub-)sectors). Such complaints and measures may result in additional costs and reduced income both directly and indirectly (due to reputational damage, disruption of the relationship with the relevant authorities or the reduced lettability of the premises concerned). There is also an increased risk (compared to other real estate (sub-)sectors) that tenants may engage in certain activities in the Property in question that are not permitted by the applicable legislation and/or rental contract without informing the Target Companies. Such activities could result in government enforcement and even the (temporary) closure of the Property in extreme circumstances.

The Target Companies undertake several actions to mitigate risks related to noise leading to adverse community relations and other measures. Within the Target Companies’ residential policy suite (commonly known as “House Rules”), each Property has quiet hours where noise must be kept to a minimum and not disturb others. These hours vary by Property to follow local regulation and guidance. In addition, residents are asked to observe 24-hour “Courtesy Hours” where residents may be asked to alter activities if they are disturbing others. The Target Companies employ 24-7 on-site staff who walk through the Property during evenings and weekends to monitor the community and respond in a timely fashion to complaints (including noise). Local management maintains positive relationships with local neighbours and the Target Companies work to build those relationships beginning in the development process. Finally, the Target Companies maintain a resident disciplinary process in line with local regulations and the tenancy agreement in which actions may be taken with residents who persistently or egregiously break the “House Rules” or other local regulations (including noise).

Taking into account these risk-mitigating actions, the Target Companies see the risk described in the first paragraph as low, and the impact if it does happen as low.

1.2.3.3 Risk of defaulting tenants, which may result in loss of rental income and additional external collection costs

The Target Companies cannot rule out the possibility that their tenants may fail to fulfil their financial obligations towards the Target Companies. In the Target Companies’ student housing segment, this risk increases when leasing directly to students (which was the case for approximately 94% of the Target Companies’ student housing gross rental income as at 31 December 2021, which represented in turn 89% of their gross rental income for the financial year ended 31 December 2021) and this risk decreases when leasing indirectly to students via housing organisations linked to a college or university, or other corporate or government body (which was the case for approximately 6.2% of the Target Companies' student housing gross rental income for the financial year ended 31 December 2021). However, this also means that in the second case of indirect rental to students the counterparty risk is situated with one party only, whereas in the first case of direct rental to students the counterparty risk is spread. If tenants remain in default of their obligations towards the Target Companies, there is a risk that the guarantee (covering one to three months' rent, depending on the region (one month in Poland and Germany, and three months in Denmark)) will not suffice, that the Target Companies will be unable to have recourse against the tenant and consequently be unable to recover anything or only a small amount from the defaulting tenant. In addition, the default of tenants and the follow-up of these debtors gives rise to additional internal and external costs (sending formal notices, summonses, legal costs).

Due to the diverse nature of the student tenant base, the risk of a sufficient number of defaults occurring for this to constitute a material risk is unlikely without an intervening event. Accordingly, the Target Companies see this risk as low and the impact if it does happen as low. However, rental income generated from commercial rent for the financial year ended 31 December 2021 was EUR 323,000 (2.6% of the total rental income for the financial year ended 31 December 2021). This was raised from a less diverse base of tenants. Accordingly, as this is a less diverse base, the Target Companies see the risk of commercial tenant defaults as moderate risk, and, due to the proportion of revenue attributable to commercial leases, the impact if it does happen as low.

Loss of rental income could also have a negative impact on the value of the Property concerned (see Chapter 1.2.2.1) and may increase following specific events (such as the COVID-19 pandemic).

As at 31 December 2021, the Target Companies had not set up provisions for doubtful debts. In 2021, the external collection costs with regard to defaulting tenants was approximately EUR 1,200 compared to EUR 2,000 the previous year (a decrease of 40%), and it is expected that these costs will remain on the same level in 2022. The teams in the relevant countries are monitoring collections and following up on the measures to be taken through regular meetings to follow-up on actions with defaulting tenants.

1.2.3.4 Risks related to operations in Poland, in particular as a result of the conflict between Russia and Ukraine and the housing of Ukrainian refugees

Poland is a member of the European Union, but has had several disputes with the European Commission regarding its respect for the rule of law. Continued disputes in this area could potentially lead to the reduction or withdrawal of European aid, which in turn could lead to a slowdown in the Polish economy.

In 2021, tensions arose at the border area between Poland and Belarus, with Poland declaring a state of emergency.

The long-standing conflict between Russia and Ukraine (which led to a Russian invasion in February 2022) may have destabilising effects on Poland, including in the following areas:

- Poland, as a neighbouring country with an extensive border with Russia, is receiving and expected to continue to receive a large influx of refugees. Should these refugees not be able to sufficiently migrate to other countries of the European Union, this may lead to possible negative consequences for Poland on a budgetary and/or political level;
- although Poland is a member of NATO, in view of its proximity there is a risk of Russian hostilities spreading to the country; and
- more specifically, it should be noted that, in terms of long stay international students in Poland, the main country of origin is Ukraine with 38,901 students in academic year 2019/20. It is possible that the war conditions may have a negative impact on the possibility of Ukrainian students to study in Poland. In addition, Poland may also become less attractive as an Erasmus destination.

Approximately 5.6 million refugees have arrived in Poland from Ukraine since 24 February 2022. This number corresponds to roughly 61% of the 9.2 million people who have fled Ukraine because of the long-standing conflict between Russia and Ukraine (which led to a Russian invasion in February 2022) (UNHCR accessed 23/08/2022). Target Companies in Poland are housing 470 citizens of Ukrainian origin in the Polish Properties. The Ukrainian families are expected to occupy their units until the end of their leases with a possibilty of an extension. If the Russian invasion of Ukraine continues it is reasonable to expect continued occupancy.

The below table sets out the percentage of Ukrainian tenants at the Łódź I Property, the Łódź II Property and the Katowice Property:

Polish Property	Total Number of Rooms	Number of Ukrainian tenants
Łódź I Property	487	63
Łódź II Property	631	157
Katowice Property	733	250

When immediate need of accommodation for Ukrainian citzens winds down, occupancy numbers may well be affected however it is then expected that the gap will be substituted with students returning to full-term university/study schedule. If the conflict between Russia and Ukraine continues, the risk of long-standing occupancy in Poland is limited to the term of the leases. Occupancy is predicted to pick up with the start of the new academic year as well as full time in-person learning post COVID-19 crisis. The probability of the Properties in Poland not being reflective of long-standing occupancy is low and the impact has been determined as low.

1.2.3.5 Risks related to the provision of real estate investment advisory services without due authorisation under the financial services regimes in the United Kingdom or Ireland

BaseCamp and BaseCamp Real Estate Partners Ltd provide real estate investment advisory services to the alternative investment fund managers of ESHF I and ESHF II as part of their operations. There are three investment advisory agreements entered into by Basecamp and BaseCamp Real Estate Partners Ltd (the "**Investment Advisor Agreements**"). In relation to the Investment Advisor Agreements, Basecamp and BaseCamp Real Estate Partners Ltd have also entered into side letters with various investors of ESHF I and ESHF II, respectively (the "**Side Letters**").

The scope of services in the Investment Advisor Agreements and Side Letters is to assist in the implementation of the investment objective and policies of the respective client, including (amongst others) monitoring the market for relevant opportunities, advising on preparation, implementation and updates of investment objective of the client, advising on investments that should be made, disposed or retained and what portion of the assets of the client should be invested or held uninvested and effecting any purchase, sale or investment etc. These services will continue to be provided after the BaseCamp Closing Date or the BaseCamp Postponed Closing Date, as applicable, until liquidation of ESHF I and ESHF II. See also Chapter 2.4.1.3 of this Securities Note for more information on the Real Estate Investment Advisory Services.

Based on the broad terms of the Investment Advisor Agreements and Side Letters, there might be a risk that Basecamp and BaseCamp Real Estate Partners Ltd inadvertently provide regulated investment advice (i.e. advice in relation to the acquisition or disposal of financial instruments such as shares) under the financial services regimes in the United Kingdom or Ireland and therefore require regulatory authorisation in these jurisdictions which Basecamp and BaseCamp Real Estate Partners Ltd do not have. Any regulated investment advice that has been given without being authorised, is a criminal offense in the United Kingdom and Ireland and carries an unlimited fine in the United Kingdom and a fine of up to MEUR 10 or imprisonment for a term not exceeding 10 years in Ireland. The probability of the financial services authorities in the United Kingdom or Ireland prosecuting BaseCamp and BaseCamp Real Estate Partners Ltd for provision of regulated advice is low.

1.2.4 Financial risks

1.2.4.1 Risks associated with financing agreements (including compliance with covenants and risk of early repayments) – liquidity

As at 31 December 2021, the Target Companies have confirmed credit lines for MEUR 440 (excluding, for the avoidance of doubt, the Shareholder Loans, the Danish OpCo Shareholder Loan, the BGA Shareholder Loan and the shareholder loan granted by E2H to ESHF 2 Birketinget ApS and fully repaid after year end 2021), of which MEUR 152.6 have not yet been drawn down, and the Target Companies' debt ratio was 42.4%.

Should the Target Companies violate the provisions (covenants) of their financing agreements, the credit lines may be cancelled or renegotiated, or the Target Companies may be forced to repay them. The agreements in force are broadly in line with the market. There is a risk of early termination in case of a change of Target Companies' control, in case of non-compliance with the negative pledge clause or other Target Companies' covenants and obligations and, more generally, in case of default as defined in these financing agreements. Pursuant to so-called "cross acceleration" or "cross default" provisions, an event of default (noting that certain instances of "default" or breach of covenants – such as a change of control – included in all financing agreements are beyond the Target Companies' control) under one financing agreement may also lead to defaults under other financing agreements (regardless of any waivers granted by other lenders in the case of a "cross default" provision) and may therefore force the Target Companies to repay all these credit lines early.

As a result of the Transaction and the change of Target Companies' control that it entails, it is expected that all the confirmed credit lines of the Target Companies will become repayable if such repayment is not waived by the relevant lenders. It is expected that credit lines for MEUR 214 (as at 31 December 2021) will be repaid, leaving the Target Companies with outstanding confirmed credit lines for MEUR 79.5 and a debt ratio of 11% (as at 31 December 2021) (see Chapter 1.3.4 of this Securities Note for the debt ratio of the Target Companies and the Company on a consolidated basis). The current shareholders of the Target Companies have undertaken towards the Company to use their best efforts to obtain the necessary waivers for such outstanding confirmed credit lines for MEUR 79.5 to remain in place, and any prepayment fees or break costs in relation to such repayment or continuation will be borne by them.

Taking into account that prepayment fees and break costs will not be borne by the Target Companies, the Target Companies see the risk described in the previous paragraphs as high, and the impact if it does happen as low.

1.2.4.2 Risks associated with rising interest rates, making loan capital financing more expensive, and fluctuating fair values of hedging instruments

As a result of debt financing (the debt ratio as at 31 December 2021 was 42.4% and the nominal outstanding debt as at 31 December 2021 was MEUR 298.4 (excluding, for the avoidance of doubt, the Shareholder Loans, the BGA Shareholder Loan and the shareholder loan granted by E2H to ESHF 2 Birketinget ApS and fully repaid after year end 2021)), the Target Companies' return depends on the interest rate developments. An increase in the interest rate makes loan capital financing more expensive for the Target Companies.

In order to hedge the long-term interest rate risk, the Target Companies use interest rate swaps for variable-rate loans. Considering the repayment of a significant portion of such variable-rate loans as part of the Transaction (see also Chapter 1.2.4.1 of this Securities Note), the impact of changes in the market interest rates on the fair value or mark-to-market value of such instruments is considered to be low.

1.2.4.3 Risks linked to inflation and rising energy prices, which can make loan capital financing more expensive and negatively impact the Fair Value of the Properties and most performance indicators of the Target

Companies

Inflation can lead to an increase in financing costs (due to the rise in interest rates (see Chapter 1.2.4.2 of this Securities Note)) and/or an increase in capitalisation rates and can therefore cause a decrease in the Fair Value of the Properties and a decrease in the Target Companies' equity.

For approximately 41% of the rental income (for the financial year ended 31 December 2021), the Target Companies have lease contracts of longer duration than one year with an indexation clause. In certain cases, however, these indexation clauses may provide for restrictions, e.g. a maximum percentage of indexation per year.

For the rooms rented directly to students (except in Denmark – typically for one year or less), the Target Companies aim in principle to index these at least every time (both for returning tenants and for new tenants). If for any reason the Target Companies would not be able to carry out this indexation, there would be a risk that prices would not rise enough. The costs would go up, as they were largely automatically indexed, which would have a negative effect on the Target Companies' profitability.

However, the principle of indexation of the rent did not necessarily prevent the rent paid under the relevant lease from rising less quickly than the rent that could be obtained on the market with new tenants, in the case of leases of more than one year or in the case of recurring tenants. On the other hand, it cannot be excluded that on a certain rental market (e.g. in a certain student city) or generally, the achievable market rents would increase less quickly than inflation (or would even decrease), which would de facto make it impossible to carry out this indexation when renewing a lease or entering into a new lease.

A special element of the inflation is the evolution of energy prices. These already rose sharply in the course of 2021 and continued to rise in 2022, and may possibly rise further in the future as a result of various factors (including economic and geopolitical factors). The Target Companies could hedge against this risk by entering into energy supply contracts with fixed energy prices. However, in the current market conditions it is difficult to enter into new such contracts (at acceptable conditions). The rise in prices for oil, on the one hand, and natural gas and electricity, on the other hand, are being monitored. Even in the event of a reduced supply or supply freeze, the size and adaptability of the global oil market makes it unlikely that extreme price increases will occur on the world markets. For this reason, the rise in prices for petroleum products are being monitored vigilantly. In the case of gas, electricity and district heating, substantial price increases for households (several times higher than the previous year's prices) are expected. In the event of supply shortages or a complete supply freeze as a result of an import or supply embargo, price increases for gas of 70-75% compared with the historical average are plausible, depending on the shortfall volume; for other energy sources, the increase is likely to be less pronounced. The risk of increased energy costs will be adjusted for social compensation measures (if any) should there be any compensation provided for electricity and heating sectors.

The table below shows the evolution of the electricity prices in Denmark, Germany and Poland.

Time frequency	Half-yearly, semesterly[1]
Products	Electrical energy
Consumption	Band IC: 500 MWh < Consumption < 2 000 MWh
Unit of measure	Kilowatt-hour
Taxes	All taxes and levies included
Currency	Euro

TIME FRAME	**2019-S2**	**2020-S1**	**var. %**	**2020-S2**	**var. %**	**2021-S1**	**var. %**	**2021-S2**	**var. %**
Denmark	0.2324	0.2252	- 3.1%	0.2349	4.3%	0.2503	6.6%	0.2961	18.3%

[1] Source: Eurostat data browser electricity prices for non-household consumers - bi-annual data (from 2007 onwards).

Germany	0.1989	0.2180	9.6%	0.2181	0.05%	0.2239	2.7%	0.2298	2.6%
Poland	0.1018	0.1336	31.2%	0.1325	- 0.8%	0.1343	1.4%	0.1357	1%

The Target Companies note that inflation has already impacted energy prices and that, to an extent, some of these risks have already been priced into the valuation of the assets for purposes of the Transaction. The Target Companies therefore see the risk described in the previous paragraphs as low to moderate, and the impact if it does happen as moderate.

1.2.4.4 Risks related to exchange rates, which in case of fluctuations may lead to a depreciation in the Fair Value of the Properties as expressed in Euro

The Target Companies may be subject to currency exposure and exchange rate risks. Assets and income of certain Target Companies are denominated in a currency other than Euro (including Polish złoty, Danish Krone and Swedish Krona). It should be noted that since 1982 Denmark has conducted a fixed exchange rate policy, first against the Deutschmark and subsequently against the Euro under the European Exchange Rate Mechanism. This ensures that currency fluctuations between the Danish Krone and the Euro are kept within a 2.25% range (i.e. within a range of 762.824 Danish Krone per 100 Euro and 729.252 Danish Krone per 100 Euro). Therefore, the risk associated with currency fluctuations are materially limited to Polish złoty and Swedish Krona. In the case of fluctuations of the exchange rate between the Euro and such foreign currencies, this could lead to a depreciation in the Fair Value of the Properties and other Target Companies' Polish and Swedish assets as expressed in Euro. It may not be possible to hedge against such exchange rate risk.

The table below describes those risks along with the impact of a 1% change in the relevant exchange rate against the euro. The annualised volatilities of the DKK and the PLN against the EUR for 2021 were 1.01% and 5.3%, respectively.

Property Company	**Functional currency**	**Non-EUR denominated net asset value (IFRS)**	**Effect of 1% appreciation in EUR**
ST Katowice Krasińskiego SP. z o.o.	PLN	- 18,779,159	40,447
ST Łódź Rewolucji 1905 SP. z o.o.	PLN	- 5,987,041	12,895
ST Łódź Rembielińskiego SP. z o.o.	PLN	- 3,282,520	71,685
ST Skovbrynet Student ApS	DKK	254,166,014	- 338,402
BC Skovbrynet Residential ApS	DKK	183,258,081	- 243,994
ESHF 2 Birketinget ApS	DKK	192,638,917	- 256,484
ESHF 2 Aarhus Student ApS	DKK	164,866,424	- 219,507
ESHF 2 Aarhus Residential ApS	DKK	15,980,110	- 21,276
BC Student Malmö AB	SEK	261,513,436	- 252,602

The Target Companies see the risk described in the previous paragraphs as low to moderate, and the impact if it does happen as moderate.

1.2.5 <u>Regulatory and other risks</u>

1.2.5.1 Risks associated with the future status of perimeter companies of a Public RREC

As of Closing (and the BaseCamp Closing Date or the BaseCamp Postponed Closing Date, and the BGA Closing Date, as the case may be), the Target Companies will become perimeter companies (as defined in Article 1 of the Law on Regulated Real Estate Companies) of the Company. As a result thereof, the Target Companies will be subject to the Legislation on Regulated Real Estate Companies, which includes special obligations and/or restrictions (on a consolidated or non-consolidated basis) in respect of their activities, debt ratio, appropriation of results, conflicts of interest and corporate governance, etc. In addition, the Target Companies' portfolio, assets, figures and activities will be taken into account into the assessment at the level of the Company's compliance with the Legislation on Regulated Real Estate Companies (see Chapter 1.5.1 of the Registration Document and Chapter 1.3.4 of this Securities Note specifically in relation to the debt ratio).

1.3. Risks associated with the Contributions and the Transaction

1.3.1 The Shareholder Resolutions need to be approved by the Existing Shareholders

The Shareholder Resolutions, which include the Contributions, the issue of the New Shares and the Authorised Capital (see Chapters 2.2.1 and 2.3.1.1 of this Securities Note for more information), must be approved by the extraordinary general meeting of the Company. The approval by the extraordinary general meeting of the Company will require the positive vote of at least 75% of the Existing Shares present and represented at the meeting. The Company's reference shareholder, Aloxe NV, has undertaken to vote in favour of the Shareholder Resolutions (see Chapter 2.3.1.1 of this Securities Note for more information). Should existing shareholders of the Company immediately prior to Closing (the "**Existing Shareholders**") not approve the Shareholder Resolutions, this may result in the termination of the Transaction.

The voting intentions of Existing Shareholders are difficult to predict, but the impact of not obtaining the approval of the Shareholder Resolutions would be high given that this may result in the termination of the Transaction.

If the Transaction is not completed by the Company, the EPRA earnings[2] per Share as projected post-Transaction to 2.07 EUR/share for 2022 and 2.38 EUR/share for 2023 are expected to decrease to 1.83 EUR/share for 2022 and 2.20 EUR/share for 2023, and the loan-to-value (LTV) post-Transaction is expected to decrease from 50% to 48%.

1.3.2 Possibility that the BaseCamp Acquisition and/or the BGA Acquisition are not completed by the Company

The BaseCamp Acquisition is subject to either the Company exercising the BaseCamp Call Option, or the BaseCamp Shareholders exercising the BaseCamp Put Option. Such exercise is itself conditional on the completion of the Danish OpCos Acquisition occurring.

While the Danish OpCos Acquisition occurring simultaneously to the Contributions is a condition to Closing, it cannot be excluded that after Closing none of the BaseCamp Call Option and BaseCamp Put Option is ever exercised, including as postponed in accordance with the Option Agreement. There is therefore a risk that the Company never acquires all the shares of BaseCamp, despite having remunerated the BaseCamp Shareholders in advance of such acquisition as the case may be in accordance with the Option Agreement. This may for example be the case if the acquisition of all the shares of BaseCamp during the exercise periods of the BaseCamp Call Option or BaseCamp Put Option (each as postponed in accordance with the Option Agreement) would not be in compliance with the Legislation on Regulated Real Estate Companies, in which case such BaseCamp Call Option and BaseCamp Put Option would not be exercised and would definitely lapse. See Chapters 2.2.1 and 2.3.3.1 of this Securities Note for more information.

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[2] Alternative Performance Measures. In accordance with the guidelines issued by the European Securities and Market Authority (ESMA) on 3 July 2016, the definitions of the APMs and the use and reconciliation tables are included in Chapter 10.8 of the Registration Document.

The BGA Acquisition is subject to the Company and E2H agreeing on a mutually acceptable structure for the transaction and a long-form agreement documenting it. The closing of the BGA Acquisition will furthermore be conditional upon (i) the commercial space in the Aachen Property 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 the Aachen Property and (ii) shareholders of Blue Gate Aachen (other than E2H) agreeing to transfer (part of) their shares in Blue Gate Aachen to the Company at the terms agreed between the Company and E2H resulting in the Company acquiring from E2H and such other shareholders of Blue Gate Aachen 89.9% of the shares of Blue Gate Aachen (without prejudice to the Company agreeing to acquire more of the shares of Blue Gate Aachen). There is therefore a risk that the Company never acquires shares of Blue Gate Aachen. This may for example be the case if the Company and E2H end up not agreeing on a mutually acceptable structure and long-form agreement, if the minimum total rental income condition at 1 September 2023 is not met or if the other shareholders of Blue Gate Aachen refuse to transfer their shares in Blue Gate Aachen resulting in the Company being offered to acquire 89.9% (or more) of the shares of Blue Gate Aachen. See Chapters 2.2.1 and 2.3.4 of this Securities Note for more information.

If the BGA Acquisition is not completed by the Company, the EPRA earnings per Share as projected post-Transaction to 2.07 EUR/share for 2022 and 2.38 EUR/share for 2023 are expected to decrease to 2.34 EUR/share for 2023 (no decrease for 2022 as the BGA Acquisition is not expected before 2023), and the loan-to-value (LTV) post-Transaction is expected to decrease with 2%. The projected post-Transaction Fair Value of the portfolio of Xior would decrease to MEUR 2,965 (increase limited to 34%), missing on adding 460 units in a new leading city.

1.3.3 Possibility of liability claims and other challenges in the framework of the Transaction

In the framework of the Transaction, Transaction documents have been concluded including customary warranties, tax covenant and specific indemnities in favour of the Company as (potential) acquirer of the shares in the Target Companies.

It cannot be excluded that the Company has to invoke these contractual provisions and has to file a claim for damages against the shareholders of the Target Companies for a potential breach of the granted warranties, tax covenant and indemnities. Taking into account that most claims would in principle be backed by the W&I Insurance Policies and the Title Insurance Policy (see Chapters 2.3.1.3, 2.3.2.4 and 2.3.3.3 of this Securities Note), the impact of a claim against the shareholders of the Target Companies would be moderate to high depending on the nature of the claim. See Chapters 2.3.1.3, 2.3.2.4 and 2.3.3.3 of this Securities Note for more information on the warranties, tax covenant and specific indemnities included in the Transaction documents.

1.3.4 Impact of the Transaction on the debt ratio of the Company

As at 30 June 2022, the Company's consolidated debt ratio was 47.95% and the statutory debt ratio was 48.27%.

As a result of the Transaction, based on the figures as at 30 June 2022, the Company will increase the value of its property portfolio by MEUR 945 to MEUR 3,160 and will acquire new debt existing at the level of the Target Companies for a total amount of MEUR 293, of which MEUR 214 will be repaid and refinanced at group level. Hence, not taking into account any acquisitions after 30 June 2022, it can be concluded that the Company, upon completion of the Transaction, will have a consolidated debt capacity of MEUR 359 before reaching the maximum consolidated debt ratio of 65% for RRECs and of MEUR 194 before reaching the consolidated debt ratio of 60% imposed in the Company's financing contracts with financial institutions. The value of the property portfolio also has an impact on the debt ratio. Taking into account the value of the property portfolio after the Transaction, the maximum consolidated debt ratio of 65% would only be exceeded if the value of the property portfolio were to fall by approximately MEUR 553, which is 17% of the property portfolio's *pro forma* value of MEUR 3,160. If the value fell by about MEUR 323, which is 10% of the value of the property portfolio after the Transaction, the 60% consolidated debt ratio threshold would be exceeded. As the statutory debt ratio is less sensitive to both additional investments and property impairment, the relevant thresholds are higher and the consolidated debt ratio is more of a restrictive factor in that respect.

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

1.4. Risks associated with the New Shares

1.4.1 Possibility of future dilution for Shareholders

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

In the event of a capital increase by means of a contribution in cash, the Company can perform a transaction that (i) retains the statutory pre-emptive rights of the existing shareholders of the Company from time to time (the "**Shareholders**"), (ii) cancels the statutory pre-emptive rights of the Shareholders and gives them priority allocation rights instead, or (iii) launches an accelerated bookbuild offering in which the statutory pre-emptive rights of the Shareholders are cancelled and no priority allocation rights are offered to them instead. See Chapter 6.7.3 of this Securities Note for more information. Should the Company decide in the future to increase its capital by significant amounts by means of a contribution in cash as set out under (iii) above, this will dilute the Shareholders' participation. Should the Company decide in the future to increase its capital by significant amounts by means of a contribution in cash as set out under (i) or (ii) above, such a transaction could lead to a dilution of the participating interest of Shareholders who are not exercising their statutory pre-emptive rights or priority allocation rights at that time.

In addition, the Company's direct or indirect acquisition of new assets by means of contributions in kind (Shareholders do not have statutory pre-emptive rights or priority allocation rights in the event of a capital increase by means of a contribution in kind, see Chapter 6.7.3 of this Securities Note for more information) or via mergers, demergers or partial demergers may also lead to a dilution of the Shareholders' participating interest in the Company.

Since Xior is a public regulated real estate company ("**Public RREC**"), which by nature requires a steady flow of capital to continue and grow its operations, it has increased its capital (excluding the issue premium) several times since its IPO, which ended on 11 December 2015, as set out in the notes to the audited consolidated financial statements as of and for the financial year ended 31 December 2021 included in Chapter 10.9.17 of the Registration Document.

Shareholders who held 1% of the Company's capital on 11 December 2015 and who never exercised their priority allocation rights or participated in optional dividends would only own 0.17% of the Company's capital on the date of this Securities Note. Shareholders who held 1% of the Company's capital on 11 December 2015, but who have always exercised all of their priority allocation rights and have always participated fully in all optional dividends would hold only 0.76% of the Company's capital as at the date of this Securities Note pursuant to contributions in kind, mergers and accelerated bookbuild offerings.

1.4.2 Fluctuations in the stock market price of the Shares

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

The price of the New Shares following Listing may fall below the Issue Price. Consequently, the Issue Price of the New Shares must not in any way be considered indicative for the Shares' market price after the Contributions.

The price of the New Shares offered in the framework of the Secondary Sale, if any, may not be indicative of the Shares’ market price after such Secondary Sale.

1.4.3 Risk of delay of the start of trading of the New Shares if the required quorum would not be reached at the first extraordinary general meeting of the Company

The start of trading of the New Shares on the regulated market of Euronext Brussels is expected to start on the Effective Date. In the event that the approval by the extraordinary general meeting of the Company to be obtained for the completion of the Contributions, expected to be obtained on 15 September 2022 or, if the required quorum would not be reached at the first extraordinary general meeting, on 6 October 2022, would be delayed, trading of the New Shares may start later than the Effective Date (if the Contributions and, as a result, the Transaction are not terminated as a result of such delay (see Chapter 2.3.1.1 of this Securities Note)).

1.4.4 Liquidity of the New Shares

The New Shares will be listed and admitted to trading on the Euronext Brussels regulated market on the Effective Date.

The Shares offer relatively limited liquidity. On 30 June 2022, the turnover rate was 12.73% (based on the total number of Shares of 28,011,322 on 30 June 2022) or 12.73% (based on the weighted average number of Shares of 28,011,322 in 2022).

Despite the Secondary Sale (see Chapter 2.3.1.6 of this Securities Note), it cannot be guaranteed that there will be a liquid market for the Shares. The extent to which the market is or is not liquid for the Shares may have a considerable impact on the Share price. Regardless of the Company’s efforts in this respect, there can be no assurance that a market will develop for its Shares or, if such a market develops, that it will provide significant and sustained liquidity and that holders of Shares will be able to sell their Shares or that such holders will be able to sell their Shares for a price that reflects their value.

1.4.5 Sales of a substantial number of Shares and Secondary Sale

Sales of a significant number of Shares could lead to a drop in the market price of the Shares. Shareholders are not obliged to remain shareholder or to keep a minimum of Shares. Furthermore, regardless of the underlying objectives of the selling shareholders in the Secondary Sale, if any, such Secondary Sale could be negatively perceived by the market. Accordingly, these sales might also make it more difficult for the Company to issue or sell equity or equity-related securities in the future at a time and a price that the Company deems appropriate.

During the lock-up period as set out under Chapter 2.3.3.5 of this Securities Note, Mr Armon Bar-Tur, Mr Amnon Bar-Tur and Mr Andreas Junius (the “**BaseCamp Earn-Out Shareholders**”) will be prevented from selling the Exercise Price Shares and Earn-Out Shares other than as expressly permitted by the Option Agreement. Following the expiry of such lock-up period, they will be free to sell all (remaining) Exercise Price Shares and Earn-Out Shares, subject to the restrictions on the sale of the Exercise Price Shares and Earn-Out Shares as set out under Chapter 2.3.3.5 of this Securities Note which apply to all BaseCamp Shareholders.

Any future sales of blocks of the New Shares not sold in the Secondary Sale, if any, or the Exercise Price Shares or the Earn-Out Shares, or any rumours relating to such sales, could cause the price of the Shares to fall.

1.4.6 Future dividends paid by the Company and/or the dividend yield on the Shares

may be lower than past payments

Pursuant to the Legislation on Regulated Real Estate Companies, the Company must pay at least 80% of an amount that corresponds to the "cash flow" (excluding the changes in value of the investment property and certain other non-cash items included in the net result) as payment for the capital (see Chapter 6.7.1 of this Securities Note for more information). Such an amount is calculated in accordance with Article 13 of the Royal Decree on Regulated Real Estate Companies.

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

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

1.4.7 Risks associated with takeover provisions in Belgian legislation

Public takeover bids on the Shares and other Company’s securities giving access to voting rights are subject to the Belgian Law of 1 April 2007 on public takeover bids, as amended from time to time (the “**Takeover Law**”) and the FSMA's supervision. Public takeover bids must involve all the Company's securities with voting rights and all other securities that entitle the holders to the registration, acquisition or conversion of securities with voting rights. Before making an offer, bidders must prepare and distribute a prospectus that has been approved by the FSMA. The bidder must also gain the approval of the relevant competition authorities if such approval is legally required for the acquisition of the Company.

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

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

While it is difficult to predict the occurrence public takeover bids on the Shares and other Company’s securities giving access to voting rights, the probability of occurrence of any such public takeover bid will be higher than before while remaining low (and, for the sake of clarity, the Company has not received any indication of any such potential public takeover bid). This higher probability will result from the increased size of the float once the Transaction will be completed, the renewed interest of international investors for RRECs in recent months and the current market conditions (including the current price per share of the Company on the regulated market of Euronext Brussels and the fact that it trades closer to the net asset value per share of the Company).

2. THE TRANSACTION

2.1. General description of the Transaction

2.1.1 Context

According to the Company, 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 purpose-built student accommodation ("**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.

2.1.2 Business rationale of the Transaction

Through the Transaction, two European market leaders join forces, creating continental Europe's largest student accommodation platform.[3] 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 Group's portfolio will lead to higher geographical diversification in some of Europe's wealthiest regions.[4] On top of this, the Company will obtain circa 100 employees that are locally embedded and, collectively, have years of experience in the PBSA sector.

In addition, the BaseCamp Group 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 the BaseCamp Group's aligned business strategy encompassing efficient operations and commitment to future growth allowed the Company and the BaseCamp Group to come to an agreement on this Transaction.

Finally, the Transaction is expected to be EPRA earnings accretive in 2022 and 2023 whilst maintaining a prudent leverage position (targeted below 50%).

2.2. Structure of the Transaction

2.2.1 Overview

The Transaction is structured and sequenced in three phases:

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[3] Based on the published number of beds let and in development by each of the Company and BaseCamp.

[4] Source: World Bank GDP per capita data in the European Union (2021).

(i) the Contributions and the Danish OpCos Acquisition, on the Closing Date;

(ii) the BaseCamp Acquisition, on the BaseCamp Closing Date or the BaseCamp Postponed Closing Date, as applicable; and

(iii) the BGA Acquisition, on the BGA Closing Date.

2.2.1.1 Rationale

BaseCamp Student Real Estate ApS, which holds all the shares of BC Skovbrynet Residential ApS, which in turn holds the Lyngby Residential Property, is not held by BaseCamp alone but together with CDJD, a joint-venture partner. From the start, as an exception to the cashless structure of the Transaction, it was agreed that the acquisition of the Lyngby Residential Property would be paid in cash so as to allow the immediate cash-out of CDJD and to provide a minimum consideration in cash to the BaseCamp Shareholders.

Initially envisaged in one step, the Transaction has then been structured in three phases as described above mainly to ensure full compliance with the Legislation on Regulated Real Estate Companies. For example, BaseCamp and its operational subsidiaries provide project and property management services to ESHF I and ESHF II and their property-holding vehicles (including a number that will remain with ESHF I and ESHF II following the Contributions) which, if acquired simultaneously on Closing, would have exceed the threshold on third party assets under management (10% of the Company's consolidated assets) set by Article 6, 5° of the Law on Regulated Real Estate Companies. The BaseCamp Acquisition has therefore been structured as a second step of the Transaction, subject to call and put options, with the intention that these be exercised once and only when the BaseCamp Acquisition could be completed in full compliance with the Legislation on Regulated Real Estate Companies (as over time the Company will continue to increase its own consolidated asset base (relative to which the 10% threshold is compared) and ESHF I and ESHF II will continue to dispose of their remainining property-holding vehicles). During that interim period, BaseCamp and its operational subsidiaries not acquired on Closing will continue to provide project and property management services to the Contributed Companies as is necessary for their operations (see Chapter 2.5 of this Securities Note for more information).

As an exception to the above, the Danish OpCos (which are also operational subsidiaries of BaseCamp) have nevertheless been joined with the acquisition of the Lyngby Residential Property against payment in cash (together, the Danish OpCos Acquisition) as their immediate acquisition on Closing will not such cause compliance issues under the Legislation on Regulated Real Estate Companies. As most of the services provided by the Danish OpCos concern the Contributed Companies which are acquired in the first step of the Transaction and one of the Danish OpCos, BaseCamp Student Real Estate ApS, indirectly owns 100% of the Lyngby Residential Property, it also made sense from a structural point of view to group them with the acquisition of the Lyngby Residential Property.

Finally, Blue Gate Aachen (and the Aachen Property) was also initially envisaged to be acquired as part of the first step of the Transaction together with the Contributed Companies, but uncertainties on the projected occupancy rate of the Aachen Property and the Company's desire to derisk the number of assets under development upon the first step of the Transaction moved the needle in favour of a deferral of the BGA Acquisition once there will be more visibility on the projected occupancy rate of the Aachen Property and the Aachen Property's development will have been completed (in principle after the completion of the BaseCamp Acquisition, unless postponed as further described in Chapter 2.2.1.2 of this Securities Note).

2.2.1.2 Steps

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 BCCA, and (ii) the issuance of the New Shares as consideration for the Contributions and the approval of the Authorised Capital (see Chapter 2.3.1.1 of this Securities Note for more information). Further, the Contributions and the Danish OpCos Acquisition are conditional on each other occuring. Please see Chapter 2.3.1.1 of this Securities Note for more information on the conditions precedent of the Contributions.

The BaseCamp Acquisition is subject to either the Company exercising its call option under the Option Agreement (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 (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. 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, 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, 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.

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 BCCA on the date falling 15 business days after notice of such exercise is delivered (the "**BaseCamp Closing Date**"). In the event the exercise of the BaseCamp Call Option or the BaseCamp Put Option is postponed in accordance with the Option Agreement, 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 "**BaseCamp Postponed Remuneration Date**"). 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 (the "**BaseCamp Postponed Closing Date**"), with no additional compensation being due by the Company to the BaseCamp Shareholders on the BaseCamp Postponed Closing Date. As set out under Chapter 1.3.2 of this Securities Note, it cannot be excluded that the BaseCamp Call Option or BaseCamp Put Option as postponed would never be exercised if the acquisition of all the shares of BaseCamp resulting from such exercise would at such time not be in compliance with the Legislation on Regulated Real Estate Companies. In such case, the BaseCamp Call Option and BaseCamp Put Option would definitely lapse without any possibility to claim back the Exercise Price of the BaseCamp Call Option already remunerated on the BaseCamp Postponed Remuneration Date.

The BGA Acquisition is subject to the Company and E2H agreeing on a mutually acceptable structure for the Company to acquire shares of Blue Gate Aachen and documenting such transaction in a long-form agreement at terms as agreed in the Share Contribution Agreement (see Chapter 2.3.4 of this Securities Note for the main terms of the BGA Acquisition) and otherwise substantially similar than the Share Contribution Agreement (see Chapter 2.3.1 of this Securities for more information on the main terms of the Share Contribution Agreement). The closing of the BGA Acquisition (the date of such closing being the "**BGA Closing Date**") will be conditional upon (i) the commercial space in the Aachen Property 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 the Aachen Property, (ii) the transaction structure resulting in the Company acquiring 89.9% (or more) of the shares of Blue Gate Aachen (as E2H only holds 54.9% of the shares of Blue Gate Aachen at the date of this Securities Note, other shareholders of Blue Gate Aachen and just not E2H will need to come to an agreement with the Company – see Chapter 2.4.11.1 of this Securities Note for more information on the shareholding 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 BCCA.

2.2.2 Sequence of events

The table below sets out the timetable relating to the main steps towards the completion of the Contributions, the issue of the New Shares and the Danish OpCos Acquisition.

Date	Event
7 March 2022	• Execution of the heads of terms between the Company and BaseCamp, setting out the main terms of the Transaction
25 April 2022	• Approval of the Transaction (including the Transaction documents) by the board of directors of the Company (the "**Board of Directors**")
30 May 2022	• Execution of the Transaction documents, setting out the terms of the Transaction and subject to conditions precedent
12 August 2022	• Decision by the Board of Directors to convene the extraordinary general meeting of the Company to approve the Capital Increase and issue of the New Shares • Approval of the reports of the Board of Directors prepared in accordance with Articles 7:179, §1, al. 1 and 7:197, §1, al. 1 of the BCCA • Acknowledgment of the reports of the Statutory Auditor of the Company prepared in accordance with Articles 7:179, §1, al. 2 and 7:197, §1, al. 2 of the BCCA
16 August 2022	• Convening notice to the extraordinary general meeting of the Company
13 September 2022	• Approval of the Prospectus by the FSMA
14 September 2022	• Publication of the Prospectus
15 September 2022	• Extraordinary general meeting of the Company to approve the Capital Increase, completion of the Contributions, issue of the New Shares and Authorised Capital • Expected date for the delivery of the New Shares • Expected completion of the Danish OpCos Acquisition
16 September 2022	• Expected effective date for the Listing of the New Shares (on opening of the markets) • New convening notice to the extraordinary general meeting of the Company if the required quorum is not reached at the extraordinary general meeting of the Company to be held on 15 September 2022
6 October 2022	• Extraordinary general meeting of the Company to approve the Capital Increase, completion of the Contributions, issue of the New Shares and Authorised Capital (if the extraordinary general meeting of the Company to be held on 15 September 2022 is not quorated)

	• Expected date for the delivery of the New Shares (if the extraordinary general meeting of the Company to be held on 15 September 2022 is not quorated)
	• Expected completion of the Danish OpCos Acquisition (if the extraordinary general meeting of the Company to be held on 15 September 2022 is not quorated)
7 October 2022	• Expected effective date for the Listing of the New Shares (on opening of the markets) (if the extraordinary general meeting of the Company to be held on 15 September 2022 is not quorated)

As described in Chapters 2.2.1 and 2.3.3.1 of this Securities Note, the contemplated completion of the BaseCamp Acquisition will take place after Closing on the BaseCamp Closing Date or the BaseCamp Postponed Closing Date, depending on the timing for the exercise of the BaseCamp Call Option or BaseCamp Put Option. The Company expects the Board of Directors to use the authorisation granted to it by the extraordinary general meeting of the Company of 24 June 2021, partially renewed and extended by the extraordinary general meeting of the Company on Closing (as proposed by the Board of Directors in the convening notice to the extraordinary general meeting, as published on the Company website (https://corporate.xior.be/en/investors/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 (including the subsequent payment of the Earn-Out Amount in one or more tranches) by way of a contribution in kind pursuant to Articles 7:196 and 7:197 of the BCCA (or, as the case may be, the contribution in kind of the receivable of the exercise price of the BaseCamp Call Option due by the Company) (the "**Authorised Capital**"), such that no extraordinary general meeting of the Company will need to be convened on the BaseCamp Closing Date to approve the BaseCamp Acquisition (including the subsequent payment of the Earn-Out Amount in one or more tranches) and the corresponding capital increase and contribution in kind (or, as the case may be, on the Base Camp Postponed Remuneration Date to approve the capital increase by way of contribution in kind of the receivable of the exercise price of the BaseCamp Call Option due by the Company).

The contemplated completion of the BGA Acquisition will take place after Closing on the BGA Closing Date, which is not expected before 1 September 2023. In case the BGA Acquisition is consummated by way of a contribution in kind against issuance of new Shares, an extraordinary general meeting of the Company will need to be convened on the BGA Closing Date to approve the BGA Acquisition and the corresponding capital increase and contribution in kind.

2.2.3 Transaction documents

On 30 May 2022, the Company has entered into several agreements governing the terms and conditions of the Contributions, the Danish OpCos Acquisition, the BaseCamp Acquisition and the BGA Acquisition.

2.2.3.1 Contributions

The Contributions are documented in a share contribution agreement (the "**Share Contribution Agreement**") dated 30 May 2022, as amended on 4 August 2022 and as further amended from time to time, and entered into between:

(i) the Company (as purchaser and beneficiary of the Contributions);

(ii) 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 European Student Housing Fund ("**ESHF I**") (as seller of all the shares of ST Łódź Rewolucji 1905 Sp. z o.o., ST Katowice Krasińskiego Sp. z o.o., ST Łódź Rembielińskiego Sp. z o.o., Studentenwohnheim Prager Strasse GmbH, ST Potsdam S.à r.l. and ST Skovbrynet Student ApS); and

(iii) 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 European Student Housing Fund II (“**ESHF II**”) (as seller of all the shares of ESHF 2 Aarhus Residential ApS, ESHF 2 Aarhus Student ApS, BC Student Malmö AB and ESHF 2 Birketinget ApS).

2.2.3.2 Danish OpCos Acquisition

The Danish OpCos Acquisition is documented in a first share purchase agreement regarding the acquisition of 80% of the shares of the Danish OpCos (the “**Majority Share Purchase Agreement**”) dated 30 May 2022, as amended on 2 September 2022 and as further amended from time to time, and entered into between:

(i) the Company (as purchaser of the shares of the Danish OpCos); and

(ii) BaseCamp (as seller of the shares of the Danish OpCos).

The Danish OpCos Acquisition is further documented in a second share purchase agreement regarding the acquisition of 20% of the shares of the Danish OpCos (the “**Minority Share Purchase Agreement**”, and being together with the Majority Share Purchase Agreement, the “**Share Purchase Agreements**”) dated 2 September 2022, as amended from time to time, and entered into between:

(i) the Company (as purchaser of the shares of the Danish OpCos); and

(ii) CDJD Invest ApS, a limited liability company incorporated under the laws of Denmark (as seller of the shares of the Danish OpCos) (“**CDJD**”).

2.2.3.3 BaseCamp Acquisition

The BaseCamp Acquisition is documented in an option agreement (the “**Option Agreement**”) dated 30 May 2022, as amended from time to time, and entered into between:

(i) the Company (as purchaser and beneficiary of the contribution of all the shares of BaseCamp); and

(ii) Mr Armon Bar-Tur, Mr Amnon Bar-Tur, Mr Andreas Junius and Mr David Justin Hamer (as sellers and contributors of all the shares of BaseCamp), all private individuals (being together the “**BaseCamp Shareholders**”).

2.2.3.4 BGA Acquisition

At the date of this Securities Note, the BGA Acquisition is documented in the Share Contribution Agreement and, as described in Chapters 2.2.1 and 2.3.4 of this Securities Note, the Company and E2H have agreed to work in good faith to agree on a long-form agreement further documenting the BGA Acquisition. Such agreement is expected to be entered into after Closing, provided that the parties agree on a mutually acceptable acquisition structure.

2.2.3.5 Insurance policies

In relation to the Transaction (excluding the BGA Acquisition) and simultaneously with the entering into of the Share Contribution Agreement, the Share Purchase Agreements and the Option Agreement, the following insurances were bound in favour of the Company as policyholder on 30 May 2022:

(i) a warranty and indemnity insurance structured by way of a tower of insurance with Liberty Mutual Insurance Europe SE as primary underwriter and AIG Europe SA, Belgian branch, and Liberty Mutual Insurance Europe SE underwriting the excess, for which the following policies were bound (the “**W&I Insurance Policies**”):
   - a warranty and indemnity liability insurance policy by Liberty Mutual Insurance

Europe SE;

- a first buyer-side excess warranty and indemnity insurance policy by AIG Europe SA, Belgian branch; and
- a second buyer-side excess warranty and indemnity insurance policy by Liberty Mutual Insurance Europe SE; and

(ii) a share and real estate title insurance policy, arranged by Dual Underwriting Ireland DAC on behalf of Fidelis Insurance Ireland DAC as underwriter (the "**Title Insurance Policy**").

In relation to the BGA Acquisition and simultaneously with the entering into of the long-form agreement documenting it (see Chapter 2.2.3.4 of this Securities Note for more information), the Company and E2H expect to bind insurances in favour of the Company as policyholder in similar terms than the W&I Insurance Policies and the Title Insurance Policy.

2.3. Main terms of the Transaction

2.3.1 Contributions

2.3.1.1 Conditions precedent

As set out under Chapter 2.2.1 of this Securities Note, the Contributions are conditional on:

(i) the extraordinary general meeting of the Company approving the Contributions, the issue of the New Shares and the Authorised Capital, in accordance with the applicable quorum and voting rights majorities as set out in the BCCA (the "**Shareholder Resolutions**" and such condition, the "**Shareholder Approval Condition**"); and

(ii) the completion of the Danish OpCos Acquisition occurring simultaneously (i.e. no completion of the Contributions without the Danish OpCos Acquisition, and vice versa).

The Company's reference shareholder, Aloxe NV, has on 30 May 2022 provided a letter to STH, E2H and the BaseCamp Shareholders, in which it confirms its support for the Shareholder Resolutions and that it shall facilitate the approval of the Shareholder Resolutions. Further, the letter confirms that Aloxe NV will not dispose of any Share until the exercise of the votes attaching to such shares at the extraordinary general meeting of the Company to approve the Shareholder Resolutions.

The Share Contribution Agreement may be terminated by any of the Company, STH and E2H:

(i) on 31 October 2022, if the Shareholder Approval Condition has not been fulfilled by such date; or

if the Shareholder Resolutions have been rejected by the extraordinary general meeting of the Company, on such date of rejection.

2.3.1.2 Consideration

The aggregate gross consideration to be remunerated in respect of the Contributions is equal to:

(i) in favour of STH, EUR 330,000,000; and

(ii) in favour of E2H, EUR 339,600,000,

in each case subject to customary adjustments for cash, debt (excluding the Shareholder Loans) and net working capital as at the Closing Date and after deduction of the STH W&I Costs and the E2H W&I Costs, respectively (the "**Contributions Consideration**").

The Contributions Consideration is based, among others, on the agreed valuations of the Properties owned by the Contributed Companies, in each case as reported by CBRE Limited, with registered address at Henietta House, Henrietta Place, London W1G 0RE, United Kingdom

("**CBRE**"), acting as external valuer of the Company as defined by the Royal Institution of Chartered Surveyors (RCIS) Valuation – Global Standards (2022) and within the meaning of Article 24 of the Law on Regulated Real Estate Companies. The Company engaged CBRE to value the Properties owned by the Contributed Companies as at 30 April 2022 for purposes of the Transaction (on the basis of Market Value as defined by the Royal Institution of Chartered Surveyors (RCIS) Valuation – Global Standards (2022)) and as at 30 August 2022 (on the basis of Fair Value in accordance with IFRS 13) for purposes of the Prospectus. CBRE was not involved in valuating the Properties owned by the Contributed Companies prior to such dates. The valuation report of CBRE for purposes of the Prospectus dated 1 September 2022 is set out in Annex IV of this Securities Note.

The Contributions Consideration to be remunerated in New Shares on Closing will be calculated on the basis of estimated figures of such cash, debt and net working capital as at the Closing Date (the "**Estimated Contributions Consideration**"), 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 in accordance with the Share Contribution Agreement.

The New Shares will be issued on Closing to STH and E2H at the Issue Price.

The number of New Shares to be issued to STH and E2H on Closing will therefore be determined by dividing the Estimated Contributions Consideration by the Issue Price or:

(i) in respect of STH, by dividing its portion of the Estimated Contributions Consideration (the "**STH Estimated Contributions Consideration**") by the Issue Price; and
(ii) in respect of E2H, by dividing its portion of the Estimated Contributions Consideration (the "**E2H Estimated Contributions Consideration**") by the Issue Price.

2.3.1.3 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 held by such entities, as well as the financials, business and operations of the Contributed Companies, to the Company's benefit.

Further, STH and E2H have given an indemnity to the Company's benefit for any obligations in respect of litigation claims that would be recognised on a balance sheet under IFRS which is elected by STH and E2H to not be treated as debt for purposes of the calculation of the Contributions Consideration.

STH has also granted an indemnity to the Company's benefit for any loss resulting from the potential claim of Freja Ejendomme A/S for which it has reserved its rights in a letter dated 24 May 2022 in relation to ST Skovbrynet Student ApS. Specifically, Freja Ejendomme A/S, the company who originally sold the Lyngby Student Property to ST Skovbrynet Student ApS, alleges that the purchase price paid for such property should have been higher due to the number of square meters actually built subsequent to the taking over of the Lyngby Student Property. The tentative claim is preliminarily set at DKK 18,020,000 plus interests since 24 November 2017.

STH and E2H have also granted customary tax warranties and indemnities to the Company's benefit.

The warranties and indemnities are subject to customary time and financial limitations, and the warranties are backed by the W&I Insurance Policies and the Title Insurance Policy. The warranties and indemnities are further limited by the fund life of ESHF I and ESHF II, which will end on 15 October 2024 in respect of ESHF I and 27 October 2025 in respect of ESHF II.

The costs of the W&I Insurance Policies (EUR 2,562,415, including insurance premium tax and broker commission) and the Title Insurance Policy (EUR 927,686, including insurance premium tax and broker commission) will be borne as follows:

(i) the total cost of the W&I Insurance Policies will be borne 84% under the Share

Contribution Agreement, which will be allocated 50% to the Company and 50% to STH and E2H, whereby STH bears 20% and E2H bears 30%; and

(ii) the total cost of the Title Insurance Policy will be borne 100% under the Share Contribution Agreement, which will be allocated 50% to the Company and 50% to STH and E2H, whereby STH bears 20% and E2H bears 30%.

As described in Chapter 2.3.1.2 of this Securities Note, STH's portion of the costs of the W&I Insurance Policies and the Title Insurance Policy (EUR 616,023) (the "**STH W&I Costs**") and E2H's portion of the costs of the W&I Insurance Policies and the Title Insurance Policy (EUR 924,034) (the "**E2H W&I Costs**") will be set off against the aggregate gross consideration to be remunerated in respect of the Contributions.

In the framework of the entering into of the Share Contribution Agreement and the remuneration for the Contributions by way of New Shares, the Company has granted certain warranties in favour of STH and E2H. Such warranties pertain to the Company's capacity, the number of Shares in issue, the Company's annual accounts for the financial year ended 31 December 2021, there being no inside information not having been made public at the date of the Share Contribution Agreement and there being no involvement in litigation which is reasonably likely to have a material adverse effect on the price of the Shares on on the regulated market of Euronext Brussels. 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.

2.3.1.4 NOI guarantee

STH and E2H have granted minimum net operating income guarantees to the Company in respect of the Properties owned by the Contributed Companies as follows:

(i) in respect of the Properties owned by the Contributed Companies held by STH (or its subsidiaries) (regarded as one basket for purposes of STH's guarantee): EUR 14,469,280 (in aggregate) over a period of 18 months from the Closing Date;

(ii) in respect of the South Campus Property: EUR 2,569,437 over a period of 12 months from the Closing Date;

(iii) in respect of the Malmö Property: EUR 4,193,966 over a period of 24 months commencing on the date of commencement of the first tenant rental agreement; and

(iv) in respect of the Aarhus Properties (together with the South Campus Property and the Malmö Property, regarded as one basket for purposes of E2H's guarantee): EUR 5,677,514 over a period of 24 months commencing on the date of commencement of the first tenant rental agreement.

The difference between the guaranteed minimum net operating income of all Properties for which a guarantee is given by STH or E2H, respectively, and the effective net operating income generated by such Properties (calculated taking into account the entire basket of relevant Properties for each of STH or E2H) shall be paid annually on a euro-for-euro basis by STH or E2H, as applicable, to the Company.

In support of achieving the minimum net operating income, the Company will ensure that the persons employed by the BaseCamp Group which were involved in the management of the relevant Properties prior to the Closing Date and which become employees of the Company (pursuant to either the Danish OpCos Acquisition, the transfer of employees referred to under Chapter 2.3.2.3 of this Securities Note or the BaseCamp Acquisition) will remain involved in the management of such Properties, and that appropriate resources are allocated to such Properties as set out in the business plans agreed between the Company, STH and E2H.

2.3.1.5 Development properties

Further, in respect of the Malmö Property and the Aarhus Properties (the "**Development Properties**") which will be acquired at turkney value but whose development will be taken over by the Company as of Closing, the Company and E2H have agreed the following regarding the future development fees, development costs, funding and margin of the Development Properties:

(i) E2H will pay an annual fee to the Company equal to the portion of the Contributions Consideration attributable to the relevant Development Property (as determined pursuant to the adjustments described under Chapter 2.3.1.2 of this Securities Note), less the development margin in respect of such Development Property paid upfront as part of the Contributions Consideration, multiplied by the relevant capitalisation rate until the date of commencement of the first tenant rental agreement (prorated for part years), as well as pay the development management fees for such Development Properties on behalf of BC Student Malmö AB (for the Malmö Property) and ESHF 2 Aarhus Residential ApS and ESHF 2 Aarhus Student ApS (for the Aarhus Properties);

(ii) any amount by which the development costs of a Development Property exceed the budgeted development costs will be paid by E2H to the Company (capped at the amount of the development margin in respect of the Development Properties paid upfront as part of the Contributions Consideration), and any amount by which the development costs of a Development Property are lower than the budgeted development costs will be paid by the Company to E2H; and

(iii) E2H will pay to the Company the difference between the cost of the current forward funded construction debt financing over the Development Properties and the cost of any alternative refinanced forward funded construction debt financing procured by the Company.

In support of ensuring no costs overruns, the Company will ensure that the persons employed by the BaseCamp Group which were involved in the management of the Development Properties prior to the Closing Date and which become employees of the Company (pursuant to either the Danish OpCos Acquisition, the transfer of employees referred to under Chapter 2.3.2.3 of this Securities Note or the BaseCamp Acquisition) will remain involved in the management of the Development Properties.

2.3.1.6 Secondary Sale

STH and E2H may decide to place all or a portion of the New Shares by way of a private placement on or around the Effective Date in accordance with Chapter 2.3.1.7 of this Securities Note below (the "**Secondary Sale**"). See Chapter 8.3 of this Securities Note for more information on the Secondary Sale.

2.3.1.7 Restrictions on transfer of the New Shares

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 in which JPMorgan is mandated as lead agent, and of which the underwriting syndicate includes ING Belgium and another financing institution at the Company's reasonable discretion.

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 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).

2.3.1.8 Restrictions on the exercise of voting rights

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

2.3.2 Danish OpCos Acquisition

2.3.2.1 Conditions precedent

Completion of the Danish OpCos Acquisition is conditional upon the completion of the Contributions occurring simultaneously. If such condition is not satisfied by 31 October 2022, the Share Purchase Agreements will automatically terminate.

2.3.2.2 Consideration

The shares held by BaseCamp and CDJD 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 (excluding the Danish OpCo Shareholder Loan) and net working capital as at the Closing Date (the "**Danish OpCos Consideration**").

The Danish OpCos Consideration is based, among others, on the agreed valuation of the Lyngby Residential Property as reported by CBRE, acting as external valuer of the Company as defined by the Royal Institution of Chartered Surveyors (RCIS) Valuation – Global Standards (2022) and within the meaning of Article 24 of the Law on Regulated Real Estate Companies. The Company engaged CBRE to value the Lyngby Residential Property as at 30 April 2022 for purposes of the Transaction (on the basis of Market Value as defined by the Royal Institution of Chartered Surveyors (RCIS) Valuation – Global Standards (2022)) and as at 30 August 2022 (on the basis of Fair Value in accordance with IFRS 13) for purposes of the Prospectus. CBRE was not involved in valuating the Lyngby Residential Property prior to such dates. The valuation report of CBRE for purposes of the Prospectus dated 1 September 2022 is set out in Annex IV of this Securities Note.

The Danish OpCos Consideration will be paid on Closing to BaseCamp and CDJD, 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 in accordance with the Share Purchase Agreements.

2.3.2.3 Transfer of employees

In order to facilitate the operations of the Contributed Companies between the Closing Date and the BaseCamp Closing Date or the BaseCamp Postponed Closing Date, as applicable, BaseCamp will transfer certain employees (the "**Transferring 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).

Where the Transferring Employees do not transfer automatically to the Contributed Companies upon the occurrence of Closing pursuant to applicable law, BaseCamp will ensure that offers of employment with the relevant Contributed Companies are made to such Transferring Employees prior to the Closing Date. The terms of such offers will be on the same terms and conditions which apply to such Transferring Employees at the date of the Majority Share Purchase Agreement pursuant to their employment with the relevant Target Company. Such Transferring Employees shall be treated as having continuous employment in respect of his or her years of service with the relevant Target Company, and continue to be eligible and participate in any benefit and compensation plans.

2.3.2.4 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 Lyngby Residential Property, 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.

Further, BaseCamp has given indemnities to the Company's benefit for (i) any obligations in respect of litigation claims that would be recognised on a balance sheet under IFRS which is elected by BaseCamp to not be treated as debt for purposes of the calculation of the Danish OpCos Consideration, and (ii) a facility agreement dated 25 April 2017 between BaseCamp Student Operations ApS and Kawai Electric (HK) Limited (which will have been repaid prior to the completion of the Danish OpCos Acquisition) being deemed to be a loan between related parties by any competent tax authority.

BaseCamp has also granted customary tax warranties and indemnities to the Company's benefit.

The warranties and indemnities given by BaseCamp are subject to customary time and financial limitations, and the warranties are backed by the W&I Insurance Policies and the Title Insurance Policy.

BaseCamp will not bear any costs of the W&I Insurance Policies or the Title Insurance Policy.

Customary warranties for mergers and acquisitions have been given by CDJD in relation to its capacity and the shares of the Danish OpCos held by it.

The Company has granted customary warranties on the Company's capacity in favour of BaseCamp and CDJD.

2.3.2.5 NOI guarantee

BaseCamp has granted a minimum net operating income guarantee to the Company in respect of the Lyngby Residential Property for an amount of EUR 2,648,273 over a period of 18 months from the Closing Date.

The difference between the guaranteed minimum net operating income of the Lyngby Residential Property and the effective net operating income generated by such Property shall be paid annually on a euro-for-euro basis by BaseCamp to the Company. The Company is further entitled to set-off the BaseCamp Earn-Out Shareholders' portion of any such amount due to it by BaseCamp against the Earn-Out Amount following assumption of all rights and liabilities of BaseCamp under the Majority Share Purchase Agreement by the BaseCamp Shareholders (see Chapter 2.3.2.6 of this Securities Note for more information).

In support of achieving the minimum net operating income, the Company will ensure that the persons employed by the BaseCamp Group which were involved in the management of the Lyngby Residential Property prior to the Closing Date and which become employees of the Company (pursuant to either the Danish OpCos Acquisition, the transfer of employees referred to under Chapter 2.3.2.3 of this Securities Note or the BaseCamp Acquisition), will remain involved in the management of the Lyngby Residential Property, and that appropriate resources are allocated to such Property as set out in the business plan agreed between the Company and BaseCamp.

2.3.2.6 Assumption by the BaseCamp Shareholders

All rights and liabilities of BaseCamp under the Majority Share Purchase Agreement will be assumed by the BaseCamp Shareholders following the remuneration of the Exercise Price Shares to the BaseCamp Shareholders as a result of the exercise of the BaseCamp Call Option or the BaseCamp Put Option, or postponement thereof in accordance with the Option Agreement (irrespective of the shares in BaseCamp being acquired on the BaseCamp Closing Date or on the BaseCamp Postponed Closing Date). See Chapter 2.3.3.2 of this Securities Note for more information on the issue of the Exercise Price Shares.

2.3.3 BaseCamp Acquisition

2.3.3.1 Conditions precedent

As set out under Chapter 2.2.1 of this Securities Note, the right to exercise the BaseCamp Call Option is conditional upon the completion of the Danish OpCos Acquisition occurring, pursuant to which the BaseCamp Call Option may be exercised by the Company at any time from 1 March 2023 to 31 March 2023. If the BaseCamp Call Option has not been exercised during the aforementioned timeframe, the BaseCamp Shareholders may exercise the BaseCamp Put Option from 1 April 2023 to 30 April 2023.

The Company may however postpone exercise of the BaseCamp Call Option to the period from 1 October 2023 to 31 March 2024, and the BaseCamp Put Option to the period from 1 April 2024 to 30 April 2024 in accordance with the Option Agreement. 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 Law 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 (as defined in Article 1 of the Law on Regulated Real Estate Companies) exceeding 10% of the total consolidated assets of the Company upon the BaseCamp Closing Date or the BaseCamp Postponed Closing Date, as applicable. 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 BaseCamp Closing Date or the BaseCamp Postponed Closing Date, as applicable, 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 (as defined in Article 1 of the Law on Regulated Real Estate Companies)).

The BaseCamp Call Option and the BaseCamp Put Option automatically terminate in the event the Majority Share Purchase Agreement is terminated and where neither of the BaseCamp Call Option and the BaseCamp Put Option is exercised by the end of the respective exercise period (as may be postponed).

2.3.3.2 Consideration

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

(i) an initial gross consideration of EUR 36,000,000; and

(ii) to the extent the earn-out conditions set out in the Option Agreement (and summarised below) are satisfied, two subsequent gross considerations of up to (in aggregate) EUR 34,000,000 (the "**Earn-Out Amount**"),

whereby the initial gross consideration is subject to customary adjustments for cash, debt and net working capital as at the BaseCamp Closing Date or the BaseCamp Postponed Remuneration Date, as applicable, and deduction of the BaseCamp W&I Costs (the “**Exercise Price**”).

Exercise Price

As set out under Chapter 2.2.1 of this Securities Note, the Exercise Price will be remunerated in new Shares (the “**Exercise Price Shares**”) which are expected to be issued in the context of a capital increase of the Company by way of contribution in kind of all the shares of BaseCamp on the BaseCamp Closing Date or, in the event the exercise of the BaseCamp Call Option or the BaseCamp Put Option is postponed in accordance with the Option Agreement, the receivable of such Exercise Price on the BaseCamp Postponed Remuneration Date. The Exercise Price to be remunerated in Exercise Price Shares on the BaseCamp Closing Date or the BaseCamp Postponed Remuneration Date, as applicable, will be calculated on the basis of estimated figures of such cash, debt and net working capital as at the BaseCamp Closing Date or the BaseCamp Postponed Remuneration Date, as applicable (the "**Estimated Exercise Price**"), whereby any difference with the actual figures of such cash, debt and net working capital as at the BaseCamp Closing Date or the BaseCamp Postponed Remuneration Date, as applicable, will be settled post-BaseCamp Closing Date or BaseCamp Postponed Remuneration Date, as applicable, (i) with respect to the BaseCamp Earn-Out Shareholders, 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 dates, and (ii) with respect to Mr David Justin Hamer, in cash.

The Exercise Price Shares will be issued on the BaseCamp Closing Date or BaseCamp Postponed Remuneration Date, as applicable, to the BaseCamp Shareholders at a price per Exercise Price Shares equal to the Issue Price.

The number of Exercise Price Shares to be issued to the BaseCamp Shareholders on the BaseCamp Closing Date or the BaseCamp Postponed Remuneration Date will be equal to:

(i) an amount of Exercise Price Shares determined by dividing the Estimated Exercise Price by the Issue Price; *plus*

(ii) an amount of Exercise Price Shares determined by dividing the sum of the dividends that have been paid in the period between the Closing Date and the date on which the Exercise Price Shares are issued to the BaseCamp Shareholders on an amount of Shares equal to such first amount of Exercise Price Shares (under (i)), by the Issue Price.

Following the issuance of the Exercise Price Shares, the Company will apply for their listing and admission to trading on the regulated market of Euronext Brussels under the symbol XIOR. The listing and admission to trading is expected to be effective when the markets open on the day after the BaseCamp Closing Date or BaseCamp Postponed Remuneration Date, as applicable.

In the event of a postponement of the exercise of the BaseCamp Call Option or the BaseCamp Put Option in accordance with the Option Agreement, no additional compensation will be due by the Company to the BaseCamp Shareholders on the BaseCamp Postponed Closing Date.

<u>Earn-Out Amount</u>

As a result of Mr David Justin Hamer stepping down as CEO of the BaseCamp Group effective on Closing the Earn-Out Amount will be payable to the BaseCamp Earn-Out Shareholders only.

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 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) (the "**First Earn-Out Opportunities**") on the earliest of (x) the first anniversary of the BaseCamp Closing Date or the BaseCamp Postponed Remuneration Date, as applicable, 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 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 BaseCamp Closing Date or the BaseCamp Postponed Remuneration Date, as applicable, and (y) 31 March 2025. The First Earn-Out Opportunities will be taken into account in determining whether the aforementioned threshold has been met.

The investment opportunities needing to be presented in order to trigger the payment of the Earn-Out Amount shall be in Denmark, Finland, Germany, Norway, Poland or Sweden, satisfying certain net operating income yield targets and the Company's investment criteria.

As set out in Chapter 2.3.2.5 of this Securities Note and in this Chapter, the Earn-Out Amount may be adjusted for the BaseCamp Earn-Out Shareholders' portion of any up- or downwards adjustments pursuant to determination of the final Exercise Price, as well as the BaseCamp Earn-Out Shareholders' portion of any payment under the net operating income guarantee in respect of the Lyngby Residential Property which may be due by BaseCamp to the Company as per the Majority Share Purchase Agreement following assumption of all rights and liabilities of BaseCamp under the Majority Share Purchase Agreement by the BaseCamp Shareholders (see Chapter 2.3.2.6 of this Securities Note).

The Earn-Out Amount would be remunerated in newly issued Shares (the "**Earn-Out Shares**") at a price per share equal to the volume-weighted average price (the "**VWAP**") per Share on the regulated market of Euronext Brussels over the 30 trading-day period immediately preceding the relevant Earn-Out Amount due date, *less* the gross amount of the coupon to be detached from the Shares on the day prior to the relevant Earn-Out Amount payment date (after the end of trading) (the "**Earn-Out VWAP**").

The number of Earn-Out Shares to be issued to BaseCamp Earn-Out Shareholders in remuneration of the Earn-Out Amount will therefore be equal to:

(i) an amount of Earn-Out Shares determined by dividing the relevant Earn-Out Amount by the Earn-Out VWAP, *plus*

(ii) an amount of Earn-Out Shares determined by dividing the sum of the dividends that have been paid in the period between the Closing Date and the relevant Earn-Out Amount payment date on an amount of Shares equal to the such first amount of Earn-Out Shares (under (i)), by the Earn-Out VWAP.

Earn-Out Shares will be issued to the BaseCamp Earn-Out Shareholders using the Authorised Capital (see Chapter 2.2.2 of this Securities Note for more information) within ten business days after presentation of the relevant investment opportunities and not earlier than the relevant due dates as described above in this Chapter.

Notwithstanding the due dates set out above, the payment of the Earn-Out Amount shall be accelerated after the presentation of the qualifying investment opportunities set out above if the Company has entered into a binding agreement for the direct or indirect acquisition of the underlying assets.

Following the issuance of the Earn-Out Shares, the Company will apply for their listing and admission to trading on the regulated market of Euronext Brussels under the symbol XIOR. The listing and admission to trading is expected to be effective when the markets open on the day after the issuance of the relevant Earn-Out Shares.

2.3.3.3 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 the BaseCamp Group, to the Company's benefit.

Further, the BaseCamp Shareholders have given indemnities to the Company's benefit for (i) any obligations in respect of litigation claims that would be recognised on a balance sheet under IFRS which is elected by the BaseCamp Shareholders to not be treated as debt for purposes of the calculation of the Exercise Price, (ii) any claims from the Financial Conduct Authority in the United Kingdom or the Central Bank of Ireland in Ireland alleging that the BaseCamp Group has conducted any regulated activities in the past three years which would have required a licence, authorisation or permission in the United Kingdom and/or Ireland under the UK Financial Services Markets Act 2000, the European Union (Markets in Financial Instruments) Regulation 2017 and/or the European Union (Investment Firms) Regulation 2021, and/or the advising of the Transaction to STH or E2H, (iii) any claim by Fidante Partners Europe Limited for payment of fees due pursuant to existing contractual arrangements with the BaseCamp Group, and (iv) customary wrong-pocket allocation in connection with the reorganisation of the BaseCamp Group prior to the BaseCamp Closing Date or the BaseCamp Postponed Closing Date, as applicable (see Chapter 2.4.1.1 of this Securities Note for more information) and further separation of the BaseCamp Group from the BaseCamp Shareholders and their affiliates.

The BaseCamp Shareholders have also granted customary tax warranties and indemnities to the Company's benefit.

The warranties and indemnities are subject to customary time and financial limitations, and the warranties are backed by the W&I Insurance Policies.

The total cost of the W&I Insurance Policies will be borne 16% under the Option Agreement, which will be allocated 50% to the Company and 50% to the BaseCamp Shareholders, in accordance with their respective shareholding ratio in BaseCamp. As described in Chapter 2.3.3.2 of this Securities Note, the BaseCamp Shareholders' portion of the costs of the W&I Insurance Policies (the "**BaseCamp W&I Costs**") will be set off against the Exercise Price.

In the framework of the entering into of the Option Agreement and the remuneration for the contribution in kind of all the shares of BaseCamp or the receivable of the Estimated Exercise Price by way of Exercise Price Shares, the Company has granted certain warranties in favour of the BaseCamp Shareholders. Such warranties pertain to the Company's capacity, the number of Shares in issue, the Company's annual accounts for the financial year ended 31 December 2021, there being no inside information not having been made public at the date of the Option Agreement and there being no involvement in litigation which is reasonably likely to have a material adverse effect on the price of the Shares on the regulated market of Euronext Brussels. 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.

2.3.3.4 Governance

Mr Armon Bar-Tur will be appointed as Chief Growth Officer of the Company with effect as of Closing. He will seat on the Company's Executive Committee, which will be established as of Closing. Pursuant thereto, the Company's corporate governance charter (the "**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 impact of such changes on the governance of the Company. The Corporate Governance Charter as adjusted for the Transaction and conditional on Closing is published on the Company website (www.xior.be/nl/investor/corporate-governance/code).

Mr David Justin Hamer will be stepping down as CEO of the BaseCamp Group effective on Closing and will therefore not join the Company's management after Closing.

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 of the Company to be held on the Closing Date, which (i) is consistent with the Legislation on Regulated Real Estate Companies, (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 as adjusted for the Transaction and conditional on Closing) and is published on the Company website: (www.xior.be/nl/investor/investor-relations/general-meeting/).

As set out in Chapter 2.3.3.2 of this Securities Note, Mr Armon Bar-Tur will also receive, in its capacity as BaseCamp Earn-Out Shareholder, a portion of the Earn-Out Amount following presentation by him to the Company of qualifying investment opportunities.

2.3.3.5 Restrictions on transfer of the Exercise Price Shares and the Earn-Out Shares

For a period of six months following the BaseCamp Closing Date or the BaseCamp Postponed Remuneration Date, as applicable, subject to customary exceptions, the BaseCamp Earn-Out Shareholders will not be entitled to transfer or encumber their Exercise Price Shares. The same will apply in respect of any Earn-Out Shares for a period of six months as of the date of issuance of such Earn-Out Shares. To secure enforceability of the lock-up, such Exercise Shares and Earn-Out Shares will be issued and remain in registered form until the end of the lock-up period.

Furthermore, any transfer of Exercise Price Shares or Earn-Out Shares by the BaseCamp Shareholders will be implemented in such a way as to avoid allocating a number of Exercise Price Shares or Earn-Out Shares, respectively, which exceeds 5% of the Shares 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.

Exercise Price Shares and Earn-Out 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).

2.3.3.6 Assumption of BaseCamp's rights liabilities under the Majority Share Purchase Agreement

All rights and liabilities of BaseCamp under the Majority Share Purchase Agreement will be assumed by the BaseCamp Shareholders following the remuneration of the Exercise Price Shares to the BaseCamp Shareholders as a result of the exercise of the BaseCamp Call Option or the BaseCamp Put Option, or postponement thereof in accordance with the Option Agreement (irrespective of the shares in BaseCamp being acquired on the BaseCamp Closing Date or on the BaseCamp Postponed Closing Date). See Chapter 2.3.3.2 of this Securities Note for more information on the issue of the Exercise Price Shares.

2.3.4 BGA Acquisition

E2H is the owner of 54.9% of the share capital in Blue Gate Aachen, which owns the Aachen Property. Ancillary to the Contributions, E2H and the Company have agreed to work in good faith towards agreeing terms for the purchase of shares of Blue Gate Aachen after Closing. As set out in Chapter 2.2.1 of this Securities Note, such purchase would be subject to an agreement on a mutually acceptable acquisition structure and long-form documentation, and conditional upon the commercial space in the Aachen Property 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 the Aachen Property. Further, the minority shareholders of Blue Gate Aachen (see Chapter 2.4.11.1 of this Securities Note) would need to approve the BGA Acquisition and transfer (part of) their shares in Blue Gate Aachen in order for the Company to be able to acquire 89.9% (or more) of the share capital in Blue Gate Aachen.

The aggregate gross 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 BGA Closing Date (the "**BGA Consideration**"). Whether such consideration would be paid in cash and/or remunerated by way of issuance of new Shares is to be determined between the Company and E2H as part of the long-form agreement.

The BGA Consideration is based, among others, on the agreed valuation of the Aachen Property as reported by CBRE, acting as external valuer of the Company as defined by the Royal Institution of Chartered Surveyors (RCIS) Valuation – Global Standards (2022) and within the meaning of Article 24 of the Law on Regulated Real Estate Companies. The Company engaged CBRE to value the Aachen Property as at 30 April 2022 for purposes of the Transaction (on the basis of Market Value as defined by the Royal Institution of Chartered Surveyors (RCIS) Valuation – Global Standards (2022)). CBRE was not involved in valuating the Aachen Property prior to such date. As the BGA Acquisition is still subject to an agreement on a mutually acceptable acquisition structure and long-form documentation and other conditions, the Company has not engaged CBRE to value the Aachen Property as at 30 August 2022 (on the basis of Fair Value in accordance with IFRS 13) for purposes of the Prospectus.

In case 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 BCCA. The price per new Share would be the VWAP per Share on the regulated market of Euronext Brussels over the 30 trading-day period immediately preceding the BGA Closing Date, *less* the gross amount of the coupon to be detached from the Shares on the day prior to the BGA Closing Date (after the end of trading), *multiplied* by 0.95 (representing a 5% discount on the VWAP per Share).

The terms of such agreement between the Company and E2H would otherwise be substantially similar to those of the Share Contribution Agreement and set out in separate long-form documentation between the Company and E2H to be entered into after Closing.

In light of the aforementioned, E2H has granted in the Share Contribution Agreement a right of exclusivity in respect of Blue Gate Aachen and the Aachen Property 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 Aachen Property other than with the Company.

2.4. Overview of the Target Companies prior to the Transaction

A structure chart of the Target Companies, showing also the Properties, is set out in Annex I of this Securities Note.

General corporate information on the Target Companies (including jurisdiction and date of incorporation, company form and company registration number) is set out in Annex II of this Securities Note.

2.4.1 BaseCamp Group

2.4.1.1 History, group structure and shareholders

BaseCamp is held by the BaseCamp Shareholders as follows: Mr Armon Bar-Tur at 35%, Mr Amnon Bar-Tur at 35%, Mr Andreas Junius at 15% and Mr David Justin Hamer at 15%.

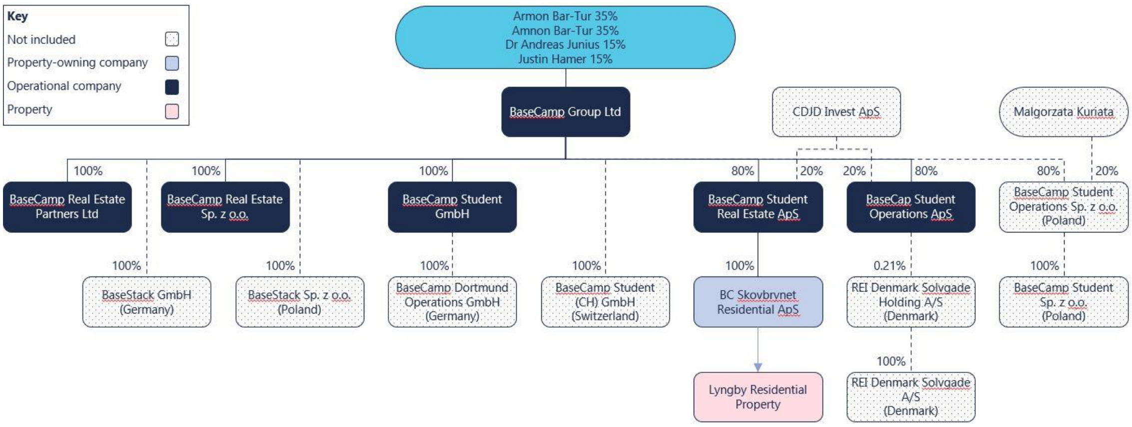
BaseCamp has 12 subsidiaries in five different countries. BaseCamp's British subsidiary is BaseCamp Real Estate Partners Ltd. The German subsidiaries are BaseStack GmbH, BaseCamp Student GmbH and BaseCamp Dortmund Operations GmbH. The Polish subsidiaries are BaseCamp Real Estate Sp. z o.o., BaseStack Sp. z o.o., BaseCamp Student Operations Sp. z o.o. and BaseCamp Student Sp. z o.o. The Swiss subsidiary is BaseCamp Student (CH) GmbH, which is inactive and not currently trading. The Danish subsidiaries are the Danish OpCos and BC Skovbrynet Residential ApS (BaseCamp and its subsidiaries, excluding the subsidiaries that will be liquidated or carved-out as described in this Chapter, being together the "**BaseCamp Group**").

All these subsidiaries are fully owned (directly or indirectly) by BaseCamp, except:

(i) the Danish OpCos which are held by BaseCamp at 80% with the remainder being held by CDJD; and

(ii) BaseCamp Student Operations Sp. z o.o. which is held by BaseCamp at 80% with the remainder being held by Mrs Malgorzata Kuriata, a third party shareholder and private individual investor.

A structure chart of BaseCamp and its subsidiaries, prior to any liquidation or carve-out as described in this Chapter, is set out below:



According to the Minority Share Purchase Agreement, the shares of the Danish OpCos held by CDJD will be sold by CDJD to the Company on the Closing Date, such that on Closing the Company will hold all the shares of the Danish OpCos.

The liquidation of BaseCamp Student (CH) GmbH will be initiated prior to the BaseCamp Closing Date or the BaseCamp Postponed Remuneration Date, as the case may be, in accordance with the Option Agreement to simplify the structure of the Transaction as this subsidiary is no longer active and/or does not hold any relevant asset of the BaseCamp Group.

BaseStack GmbH, BaseStack Sp. z o.o., BaseCamp Dortmund GmbH, BaseCamp Student Operations Sp. z o.o. and BaseCamp Student Sp. z o.o. (the "**Carved-Out Entities**") will be sold and carved out of the BaseCamp Group prior to the BaseCamp Closing Date or the BaseCamp Postponed Remuneration Date, as the case may be, for a nominal amount (less than EUR 100,000) and with no liabilities attached to the BaseCamp Group, such that on the BaseCamp Closing Date or the BaseCamp Postponed Remuneration Date, as the case may be, BaseCamp will not have any direct or indirect interest in these subsidiaries. These carve-outs will be completed in accordance with the Option Agreement to simplify the structure of the Transaction as these subsidiaries are no longer active and/or do not hold any relevant asset of the BaseCamp Group.

BaseCamp Student Operations ApS holds 0.21% in REI Denmark Solvgade Holding A/S (company registration no. (CVR no.) 37 64 68 81), with the remainder being held by REI Investments B.V., an affiliated vehicle of Nationale Nederlanden, a third party shareholder and investor. REI Denmark Solvgade Holding A/S holds all the shares in REI Denmark Solvgade A/S, which holds student accommodation assets (title no. 640, Sankt Annæ Vester Kvarter, København), located at Georg Brandes Plads 2, DK-1307, Copenhagen, Denmark (the "**Solvgade Property**"). According to the Majority Share Purchase Agreement, the shares of REI Denmark Solvgade Holding A/S held by BaseCamp Student Operations ApS will be sold and carved out of the BaseCamp Group prior to Closing with no liabilities attached to BaseCamp Student Operations ApS, such that on Closing BaseCamp Student Operations ApS will not have any interest in the Solvgade Property.

The BaseCamp Group will be acquired by the Company in two phases:

(i) the Danish OpCos (including BaseCamp Student Real Estate ApS' fully owned subsidiary, BC Skovbrynet Residential ApS) will be acquired on the Closing Date as part of the Danish OpCos Acquisition; and

(ii) BaseCamp and the rest of the BaseCamp Group (the "**BaseCamp Closing OpCos**") will be acquired on the BaseCamp Closing Date or the BaseCamp Postponed Closing Date, depending on the timing for the exercise of the BaseCamp Call Option or BaseCamp Put Option, as part of the BaseCamp Acquisition.

See Chapter 2.2.1 of this Securities Note for more information on the Danish OpCos Acquisition and the BaseCamp Acquisition and Chapters 2.3.2 and 2.3.3 of this Securities Note, respectively, for the main terms of such transactions.

2.4.1.2 *Articles of association, share capital and corporate purpose*

<u>BaseCamp</u>

The current articles of association of BaseCamp do not provide for categories of shares or for any restriction to the free transferability of the shares. There are no shareholders' agreements in place at the level of BaseCamp. There are no provisions in the articles of association that would have an effect of delaying, deferring or preventing a change in control of BaseCamp.

The share capital of BaseCamp currently amounts to £4,000, divided into 4,000 ordinary shares of £1 each. The share capital of BaseCamp is fully paid-up.

The purpose of the company is the management of real estate on a fee or contract basis.

<u>BaseCamp Student Operations ApS and BaseCamp Student Real Estate ApS</u>

The current articles of association of BaseCamp Student Operations ApS and BaseCamp Student Real Estate ApS do not provide for categories of shares or for any restriction to the free transferability of the shares. There are no shareholders' agreements in place at the level of BaseCamp Student Operations ApS and BaseCamp Student Real Estate ApS which will survive Closing. There are no provisions in the articles of association of BaseCamp Student Operations ApS or BaseCamp Student Real Estate ApS that would have an effect of delaying, deferring or preventing a change in control of BaseCamp Student Operations ApS or BaseCamp Student Real Estate ApS, respectively.

The share capital of BaseCamp Student Operations ApS and BaseCamp Student Real Estate ApS currently amounts to DKK 50,000, divided into 50,000 shares with a nominal value of DKK 1 each, and DKK 50,000, divided into 50,000 shares with a nominal value of DKK 1 each, respectively. The share capital of BaseCamp Student Operations ApS and BaseCamp Student Real Estate ApS is fully paid-up.

The purpose of the companies is the management of real estate on a fee or contract basis.

2.4.1.3 *Business overview and principal activities and markets*

BaseCamp Group is a real estate investment adviser, developer and property manager of PBSA in Poland, Germany, Sweden and Denmark, with operations also in the United Kingdom. BaseCamp Group focuses on creating enhanced student accommodation, through building design and operations led by hospitality professionals and students.

BaseCamp Group has developed, operated and managed properties for the benefit of two alternative investment funds, 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).

<u>Mission and vision</u>

BaseCamp Group has developed the following vision: "*to create thriving communities with a purpose that empowers students during the most important and dynamic times of their lives*". By leveraging high-quality data, financials, selection processes, development ideals and operating services, BaseCamp Group designs and delivers both physical and digital spaces, in support of its vision.

BaseCamp Group believes that sustainable value in student accommodation is delivered by creating the right balance between fostering a sense of community and well-designed functional private suites. The properties are actively managed to enlist resident student assistants to develop social programmes and inspire students to explore, share, collaborate and grow.

BaseCamp has leased offices in London, Berlin, Warsaw and Copenhagen, from where its employees support the development, operations and management of the properties owned by

ESHF I and ESHF II. See also Chapter 2.4.1.4 of this Securities Note for more information on the leased offices.

Services

BaseCamp, directly or indirectly through fully owned subsidiaries (part of the BaseCamp Group), provides three sets of services to (the alternative investment fund manager(s) of) ESHF I, ESHF II and their subsidiaries (including STH, E2H and their investment vehicles (including the Contributed Companies)), as well as to BC Skovbrynet Residential ApS. These services consist of:

(i) project management services with respect to specified projects consisting in the overall coordination and management of a development project, including (i) the establishment of the project, (ii) the development of the project's plans, (iii) informing the fund of all mandatory procedures applicable to the project, (iv) carry-out studies, (v) prepare contracts of engagement, etc. (together the "**Project Management Services**");

(ii) property management services with respect to specified properties, including (i) pre-opening services and set-up of the property for letting, (ii) market the property through the internet and other canals (at the expense of its owner), (iii) letting the property, (iv) collect rental guarantees and rents, etc. (together the "**Property Management Services**"); and

(iii) real estate investment advisory services to the (alternative investment fund manager(s)) of ESHF I and ESHF II which relate to all aspects of the real estate investment cycle of the funds (from investment sourcing to advice on disposal / exit) (together the "**Real Estate Investment Advisory Services**").

The following table sets forth a breakdown of revenues (in EUR) for the BaseCamp Group for these three sets of services for the financial year ended 31 December 2021:

Type of service fees	**2021**	**Of which are generated from the Properties**	**Of which are not generated from the Properties**
Property management fees	3,202,516	1,352,039	1,850,477
Project management fees	5,635,839	2,302,995	3,332,844
Investment advisor fees (net of rebates and commissions)	2,828,702	/	2,828,702
Total	**11,667,057**	**3,655,034**	**8,012,023**

Upon completion of the Transaction, the revenues which are generated from the Properties (i.e. revenues generated from fees paid to the BaseCamp Group by the Contributed Companies, Blue Gate Aachen and BC Skovbrynet Residential ApS, as property-holding vehicles) will become intragroup revenues for the Company. The remaining part of the revenues are revenues generated from the remaining investment vehicles of ESHF I and ESHF II with properties in development and operational properties, which will not be acquired by the Company as part of the Transaction.

The revenues generated from investment advisor fees will not become intragroup revenues for the Company as (the alternative investment adviser(s) of) ESHF I and ESHF II will not be acquired by the Company as part of the Transaction. Such revenues are however expected to decrease following the completion of the Transaction as the investment advisor fees are linked to the invested equity in ESHF I and ESHF II investments, which will decrease by such an amount equal to the equity invested in the Contributed Companies and Blue Gate Aachen.

See Chapter 2.5 of this Securities Note for information on the conduct of the activities of the Target Companies after the Transaction.

Customers

BaseCamp Group's main customers are students. These include national and international students, research assistants and researchers, young post-graduate and corporate academy students. BaseCamp Group's customers fall within the 19-25 age bracket across all regions, with an average age of 22 years. In certain markets and during need periods, student occupancy is complemented by corporate contracts. These contracts are typically targeting young professionals or educational routes other than formal university programmes (e.g. student nurses from an hospital educational programme in Leipzig). In 2021, 5.5% of the total rooms of the Properties have been occupied by contracted groups. Contracted rental income accounted for 5.5% (EUR 644,000) of the total rental income generated by the Target Companies for the financial year ended 31 December 2021.

The origin of students per market is displayed below:

Customer origin	**Denmark**	**Germany**	**Poland**
Domestic	9%	20%	19%
EU	48%	22%	44%
International	43%	58%	38%

Geographical presence

BaseCamp Group has operations in four different countries, namely the United Kingdom, Poland, Denmark and Germany. The BaseCamp Group operates from leased office premises in London, from where its employees support the Real Estate Investment Advisory Services provided to the alternative investment fund managers of ESHF I and ESHF II, and Berlin, Warsaw and Copenhagen, from where its employees support the development, operations and management of the properties owned by ESHF I and ESHF II and their subsidiaries (including STH, E2H and the Contributed Companies), as well as to BC Skovbrynet Residential ApS. See also Chapter 2.4.1.9 of this Securities Note for more information on the employees of the BaseCamp Group.

In addition, the Nordics office in Copenhagen also manages the operation of the Solvgade Property, that is not owned by either ESHF I or ESHF II, or their respective subsidiaries. See also Chapter 2.4.1.1 of this Securities Note for more information on the Solvgade Property.

Revenues (in EUR) for the financial year ended 31 December 2021 are distributed as follows between the relevant jurisdictions:

Country	**Fee revenues**	**% of total fee revenues**	**Of which are generated from the Properties**	**Of which are not generated from the Properties**
United Kingdom	2,828,702	24.2%	/	2,828,702
Germany	4,056,231	34.8%	954,593	3,101,638
Denmark	2,624,477	22.5%	2,048,055	576,422
Poland	2,157,647	18.5%	652,386	1,505,261
Total	**11,667,057**	**100%**	**3,655,034**	**8,012,023**

Competition

The BaseCamp Group operates in the European PBSA market, which is becoming increasingly competitive. Investment, despite the COVID-19 crisis, remains robust due to, amongst other things, strong demand for student accommodation evidenced by high occupancy rates.

The main competitors of the BaseCamp Group per region are displayed below.

Poland	**Germany**	**Nordics**

Student Depot	How 8	UMEUS
Milestone	The Twenty Mondial	Tietgenkollegiet
Dormitory Raj	Youniq	Øresundskollegiet
Chillin'	Studentenwerk	Nido
Kościuszki	Staytoo	CPH Village
Mariacka13	The Hood	
	Behome	

Market positioning

Greater Copenhagen area

In 2021, the Greater Copenhagen area comparable PBSA market, which comprises both Copenhagen and Lyngby municipalities, has 7,017 units out of which 1,452 (21%) are operated by the BaseCamp Group. The Greater Copenhagen area is composed of a total of approximately 108,000 students[5] of which the BaseCamp Group accommodates approximately 1.5% (1,452 students). UMEUS is a growing competitor with one property just 500 meters away from the South Campus Property. It opened a second property in Nordhavn within 4 kilometers distance to the University of Copenhagen. The direct competition of the Lyngby Residential Property and the Lyngby Student Property is mainly state- or university-owned. Its location is directly on campus of the Technical University of Denmark. Prices in the Greater Copenhagen area vary between DKK 2,500 up to DKK 6,500 in entry level apartments. On average the BaseCamp Group is 19.4% higher than the average price at the defined competition set.

Aarhus

With just 500 meters walking distance to the Aarhus University, the Aarhus Properties will have a prime location within the PBSA market. Pricing is expected to range from DKK 2,500 up to DKK 5,500 in entry level apartments.

Poland

BaseCamp Group is operating in the cities of Łódź and Katowice with a total of 1,988 units, covering in 2021 around 1.7% of the approximate total number of students within both cities combined (120,000 studentds)[6]. The main competitor in Łódź is Student Depot with 267 units. Student Depot is operating 7 PBSA in Poland and can be seen as the most known competitor in the market. The BaseCamp Group has the only private-owned PBSA in Katowice and therefore has no direct competition. Pricing in Poland is following the same approach as in Denmark with nearly 30% increment towards the average price in the market.

Germany

Both German cities of Leipzig and Potsdam combined are counting 64,610 students.[7] BaseCamp Group operates 675 units which represents a market penetration of around 1%. Apart from the state-run non-profit operator "Studentenwerk" with properties in both cities, the nearest competitors are "The Hood" in Leipzig and "The Twenty Mondial" in Potsdam. In 2021, prices range from EUR 195 up to EUR 595 per month in entry level apartment. BaseCamp is priced above the average of such price range.

Once operational, the Aachen Property's closest competitor will be The Fizz, located 500 meters away from the Aachen Property. Recently, two more PBSA opened in close proximity to the campus of the RWTH Aachen University (Milestone & iLive). In 2021, pricing in the entire Leipzig market ranges from EUR 180 up to EUR 488.

Sweden

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5 2021 Bonard Student Housing Report.
6 2021 Bonard Student Housing Report.
7 Official statistics of the Potsdam and Leipzig Statistic municipal departments.

The Malmö Property will be located in the neighbourhood "Västra hamnen" in walking distance to the Malmö University. The direct competition (PBSA) is located further out. BaseCamp is extremely well positioned in what is one of the fastest growing student markets in Europe.[8]

Historic information and milestones

Year	**Event**
2015	• BaseCamp appointed as investment adviser to the alternative investment fund manager of ESHF I • ESHF I established raising MEUR 180 – for 4,657 projected rooms once all sites are fully operational
2016	• Solvgade Property – First ESHF I Danish property (managed), with 506 rooms, developed and managed by the BaseCamp Group
2017	• BaseCamp Real Estate Partners Ltd appointed as investment adviser to the alternative investment fund manager of ESHF II • ESHF II established raising MEUR 230.7m – for 5,101 projected rooms once all sites are fully operational • Łódź I Property – First ESHF Polish property operational, with 487 rooms, developed and managed by the BaseCamp Group • Potsdam Property – First ESHF I German property operational, with 263 rooms, developed and managed by the BaseCamp Group
2018	• Leipzig Property – Second ESHF I German property operational, with 385 rooms, developed and managed by the BaseCamp Group
2019	• "The Student Hotel" Berlin – Third ESHF I German (joint venture) property operational, with 475 rooms, developed and managed by the BaseCamp Group • Mariendalsvej – Second ESHF I Danish property (managed), with 177 rooms and 50 residential apartments, developed and managed by the BaseCamp Group
2020	• Lyngby Student Property – Third ESHF I Danish property operational, with 639 rooms. Winner of multiple design awards, developed and managed by the BaseCamp Group • Opening of Lyngby Residential Property • Łódź II Property – Second ESHF I Polish property operational, with 631 rooms, developed and managed by the BaseCamp Group
2021	• South Campus Property – First ESHF II Danish property operational, with 350 rooms, developed and managed by the BaseCamp Group

[8] The December Report by Savills, "European Student Housing: Forever Young".

- Katowice Property – Third ESHF I Polish property operational, with 733 rooms, developed and managed by the BaseCamp Group

2022

- Wroclaw – First ESHF II Polish property operational, with 775 rooms, developed and managed by the BaseCamp Group
- Dortmund – The hotel part of the fourth ESHF I German property, is operational, with the student part to open by the end of 2022. The overall property will have 449 rooms, developed and managed by the BaseCamp Group

2.4.1.4 Properties

At the date of this Securities Note, the BaseCamp Group directly holds (participations) in two properties.

Lyngby Residential Property

First, BaseCamp Student Real Estate ApS holds all the shares of BC Skovbrynet Residential ApS, which holds a residential and senior accommodation asset, title no. 1ho, Kgs. Lyngby By, Kgs. Lyngby, located at Skovbrynet 4, DK-2800 Kongens, Lyngby, Denmark (the "**Lyngby Residential Property**"). It offers 147 apartments.

The development of the Lyngby Residential Property was completed and became operational in August 2020. The Lyngby Residential Property is based in a centralised location in Lyngby, Denmark, close to the Technical University of Denmark. The Lyngby Residential Property is a pioneer site for innovative construction and sustainability, utilising solar energy and heat recovery from the ventilation system. It won the 2019 Real Estate Media Project Award for the best real estate project in Denmark.

The development contains an underground car park in addition to the apartments.

Business overview and principal activities and markets

BC Skovbrynet Residential ApS, which holds the Lyngby Residential Property, is a special purpose vehicle incorporated under Danish law on 24 November 2017 as a private limited company. The company is registered with the Danish Central Business Register (CVR) under registered number 38 70 36 09.

The operations of BC Skovbrynet Residential ApS are managed by BaseCamp Student Real Estate ApS. All revenues generated (DKK 7,408,969.87 for the financial year ended 31 December 2021) are beneficially owned by BaseCamp Student Real Estate ApS as parent. This covers payroll and related expenses of staff employed at the Lyngby Residential Property, pre-opening services, marketing services, licencing of the brand, rent management, utility and guarantee collection, room allocation, engaging, monitoring and reporting on costs for cleaning, repair and maintenance of the property, capital expenditure life-cycle planning for the property, reporting of financial results and other key performance indicators.

See Chapter 2.4.1.3 of this Securities Note for the description of the market positioning of the Lyngby Residential Property.

Operating and financial review

Having opened in August 2020, the following table shows the development of the Lyngby Residential Property's operating result (in EUR) for the financial year ended 31 December 2020 and the financial year ended 31 December 2021:

Lyngby Residential Property	2019	2020	% var	2021	% var
Occupancy	**0.0%**	**10.4%**	-	**48.4%**	**365.4%**
Average rent	-	1,664	-	1,588	-4.6%
Tenant rent	-	101,480	-	1,355,820	1,236%
Commercial rent	-	-	-	-	-
Other income	-	165	-	2,474	1,397.6%
Total income	-	**101,645**	-	**1,358,294**	1,236.3%
EBITDA	-	**74,533**	-	**516,324**	792.7%
EBITDA margin	**0.0%**	**-73.3%**	-	**38%**	151.8%

The Lyngby Residential Property's total revenues increased from approx. EUR 101,000 in 2020 to approx. EUR 1,400,000 in 2021.

As of June 2022, the Lyngby Residential Property is let with an average occupancy of 76.6% and the average rent per room has increased by 3.1% over 2021.

The main expense categories of the Lyngby Residential Property in 2021 were real estate agent commissions (EUR 187,000, 13.8% of total revenues) higher than assumed for the long term under stabilised operations and due to the initial ramp up of the Lyngby Residential Property, cleaning expenses (EUR 87,000, 6.4% of total revenues), administrative and general expenses (EUR 162,000, 11.7% of total revenues) and repair and maintenance expenses (EUR 155,000, 11.2% of total revenues). Expenses are expected to be fixed with only inflationary increase. As revenues stabilise, the profit margin will subsequently increase.

Capital resources

The Lyngby Residential Property has historically financed its liquidity and capital needs primarily using funds generated from operations and borrowings.

The following table shows a breakdown of the Lyngby Residential Property's liabilities (in EUR) for the financial year ended 31 December 2021:

	31 December 2021
Current liabilities	
Due to affiliated and associated parties	-40,108
Accounts payable	149,178
Accrued expenses	95,937
of which Danish OpCo Shareholder Loan interests	-
Advance deposits	-
Other current liabilities	6,283,222
Total current liabilities	***6,488,230***
Non-current liabilities	
Bank loans	40,732,611
Danish OpCo Shareholder Loan (incl. accrued interests)	4,065,934
Other non-current liabilities	591,544
Deferred tax liabilities	6,620,862
Total non-current liabilities	***52,010,951***
Total liabilities	***58,499,181***

Other current liabilities include a VAT liability that relates to VAT claimed during construction based on the assumption that the Lyngby Residential Property was constructed as 'built to sell'. Due to delay in the stabilisation and subsequent lower than anticipated property value, the Lyngby Residential Property became operational under the current ownership. Subsequently, the

VAT liability had to be recognised as the business incurs VAT exempt revenues. It is expected that the VAT liability will be settled as a result of the Contributions.

Cash flows

The cash flow is essentially dependent on operating activities and changes in tenant deposits.

The following table summarises the Lyngby Residential Property's cash flows (in EUR) for the financial year ended 31 December 2021:

	2021
Net cash provided from op. activities	1,429,003
Net cash used for investing activities	-120,620
Net cash from financing activities	299,136
Cash and cash equivalents at the beginning of the period	249,159
Effects of foreign exchange rate changes	257
Cash and cash equivalents at the end of the period	**1,856,934**

Solvgade Property

Second, BaseCamp Student Operations ApS holds 0.21% of the shares of REI Denmark Solvgade Holding A/S. REI Denmark Solvgade Holding A/S holds all the shares of REI Denmark Solvgade A/S, which holds the Solvgade Property. However, as mentioned in Chapter 2.4.1.1 of this Securities Note, on Closing, BaseCamp Student Operations ApS will no longer have any interest in the Solvgade Property.

Offices

The BaseCamp Group also leases office premises in Copenhagen, Warsaw, London and Berlin for its own operations.

The premises in Copenhagen is a newly renovated private office space located in the centre of Copenhagen, Kr. Bernikows Gade 4, 1. Floor, 1105 Copenhagen. The lease can be terminated with 6 months notice from 31 December 2023.

The Warsaw office is a new A class office building located in Mokotow disctrict at Pl. Gugulskiego 1, 02-661 Warsaw. As per the lease agreement the lease termination date is 1 December 2028, although the lease agreement may be terminated by 6 September 2022 with effect from 6 March 2023. The termination option has not been invoked. The contractual party is BaseCamp Student Operations ApS, which subleases the office to the other companies.

In London, the BaseCamp Group rents an office space located in Soho, London from Fora Space Limited for a monthly residency fee of £6,555.60. The current residency agreement commenced on 1 April 2022 and is for an initial term of 12 months, and then subject to automatical renewal on a monthly basis until terminated.

The Berlin leased office space is located in the heart of Berlin at Rosenthaler Strasse 51, Mitte, 10178 Berlin, a vibrant district for locals and tourist with good connections to the main train station and airport.

2.4.1.5 Operating and financial review

The following table shows the BaseCamp Group's operating result (in EUR) for the financial year ended 31 December 2021 (excluding BC Skovbrynet Residential ApS):

	2021

Property management fees	3,202,515
Development fees	5,635,839
Other fees	150,273
Investment advisor fees (net of rebates and commissions)	2,828,702
Other income	204,826
Total income	**12,022,156**
Payroll and related expenses	-10,507,233
Administration and general expenses	-980,253
Information system expenses	-292,010
Sales and marketing expenses	-129,274
Non-Operating income and expenses	1,510
EBITDA	**114,897**
%	1.0%

Key factors affecting the results of operation are the fee revenues, driven by the occupancy and average rent of operational properties for the property management fees, the development budgets of properties under construction for development fee revenues and equity invested in both funds (ESHF I and ESHF II) managed for the investment advisor fees. As an operator and manager, the main cost drivers are payroll and related expenses, as well as office expenses, IT and professional fees.

2.4.1.6 Capital resources

The BaseCamp Group has historically financed its liquidity and capital needs primarily using funds generated from operations and borrowings.

Liabilities

The following table shows a breakdown of the BaseCamp Group's liabilities (in EUR) at 31 December 2021 (excluding BC Skovbrynet Residential ApS):

Current liabilities	**31 December 2021**
Due to affiliated and associated parties	-
Salaries and wages	336,552
Accrued payroll taxes	282,267
Accounts payable	746,622
Accrued expenses	1,558,703
Accrued taxes	1,652,714
Other current liabilities	77,686
Total current liabilities	***4,654,544***
Non-current liabilities	
Other loans	12,590,320
Other non-current liabilities	6,191
Total non-current liabilities	***12,596,512***
Total liabilities	**17,251,056**

Accrued expenses mainly relate to rebates of the investment advisor fee agreed with a group of investors, that are expected to be repaid at the end of the financial year ended 2022.

The loan relates to the provision of the equity portion of the Lyngby Residential Property and will be settled upon Closing in connection with the Danish OpCos Acquisition.

Accrued taxes mainly relate to VAT payable during normal course of business.

Cash flows

The following table summarises the BaseCamp Group's cash flows (in EUR) for the financial year ended 31 December 2021 (excluding BC Skovbrynet Residential ApS):

	2021
Net cash provided from operational activities	822,888
Net cash used for investing activities	-125,999
Net cash from financing activities	-8,554
Cash and cash equivalents at the beginning of the period	1,757,565
Effects of foreign exchange rate changes	35,877
Cash and cash equivalents at the end of the period	**2,481,777**

The cash flow is essentially dependent on operating activities. The key contributing factors are the fees incurred and payroll related expenses.

2.4.1.7 Regulatory environment

The activities of the BaseCamp Group are subject to extensive regulation in each country in which it operates, including corporate governance, financial, labour, tax, environmental social and governance, and health and safety regulations, as well as property legislation and planning laws.

BaseCamp Group is committed to complying with all applicable laws and regulations of the countries in which it conducts business. If these laws and regulations are changed, or new obligations imposed, property management and investment may become more difficult or costy, and therefore have an adverse effect on the financial condition and operations of the BaseCamp Group. See also Chapter 1.2.3.5 of this Securities Note.

2.4.1.8 Management and corporate governance

This Chapter describes the management and corporate governance of the BaseCamp Group in place at the date of this Securities Note.

As set out under Chapter 2.3.3.4 of this Securities Note, Mr David Justin Hamer will be stepping down as CEO of the BaseCamp Group effective on Closing.

Board of directors

The board of directors of BaseCamp (the "**BaseCamp Board**") is primarily responsible for setting the rules and principles underpinning the management and corporate governance of the BaseCamp Group. The BaseCamp Board is the main decision-making body of the BaseCamp Group and monitors the overall business strategy and performance.

The role of the BaseCamp Board is to aim for the long-term success of the BaseCamp Group by means of efficient risk management and control.

At the date of this Securities Note, the BaseCamp Board consists of four directors:

Director's name	**Date of appointment**	**Role**
Amnon Bar-Tur	1 May 2015	Managing director
Armon Bar-Tur	9 March 2015	Executive chairman
David Justin Hamer	9 March 2015	CEO

Dr. Andreas Junius	31 December 2015	Managing director

A brief overview of the relevant experience of the directors is set out below.

Amnon Bar-Tur: Mr Bar-Tur is based in New York and is a partner and managing director of BaseCamp. Mr Bar-Tur has been involved in the acquisition and development of student accommodation since 2009 and more generally involved in real estate funds since 2005 including light industrial park strategies as a partner and director of a UK-based asset management and development firm that managed over $600 million in assets. Mr Bar-Tur is a director of CITYarts, a non-profit arts organisation in New York City and a judge and founder of the annual Bar-Tur Photo Awards.

Armon Bar-Tur: Mr Bar-Tur is based in Switzerland and is a partner and executive chairman of BaseCamp. He has been involved in the acquisition and development of student accommodation since 2009 and more generally involved in real estate funds since 2005 including light industrial park strategies, the conversion of a major New York hotel to co-op appartments and the fund raising for, and creation of a $400 million world class entertainment complex. Previously, Mr Bar-Tur was employed as an executive director of the investment management division of Morgan Stanley and has also worked for Merrill Lynch Asset Management in Princeton, New Jersey.

David Justin Hamer: Mr Hamer is based in London and is partner and chief executive officer of BaseCamp. Mr Hamer brings over seventeen years of experience advising European real estate funds including advising on corporate and development aspects of the BaseCamp UK student accommodation projects. Prior to joining the investment advisor as a director, Mr Hamer was a partner in Greenberg Traurig Maher LLP and, prior to that, vice chair of the London office of Paul Hastings (Europe) LLP. He has hands-on, practical experience of development as an investor in a number of ventures and real estate development businesses. He has spoken on real estate fund issues at various conferences and INREV.

Dr. Andreas Junius: Dr Junius is a partner and managing director of BaseCamp based in Frankfurt. He brings deep international finance law knowledge to the team. He has been a transactional attorney for over 25 years with a focus on corporate and securities law, finance and investment. He advises institutional investors and financiers as well as sophisticated borrowers based in the U.S. and continental Europe on domestic and cross border transactions including project and infrastructure finance and real estate. Dr Junius served as a partner at Clifford Chance Frankfurt and was also a partner at Bryan Cave LLP, Dechert LLP and Poellath & Partners.

C-Suite

The BaseCamp Board delegates the day-to-day management of the BaseCamp Group to the "**C-Suite**", comprising David Justin Hamer (CEO), Monique Jaqqam (CFO), Rachel Butterworth (CMO) and Elizabeth Cox (CoS), who in turn, have mandated the executive management team to implement the overall business strategy of the BaseCamp Group.

Executive management

The role of the executive management team is to undertake the operational day-to-day activities of the BaseCamp Group in light of company values and manage the organisation to execute BaseCamp Group's strategy. The executive management team comprises the C-Suite and regional managing directors.

Remuneration

The BaseCamp Group ensures that the level of remuneration is high enough to attract, retain and motivate directors and members of the executive management team.

The BaseCamp Board approves the amount of remuneration of the executive chairman, CEO, COO and CFO. The remuneration of the executive management team (including regional operational directors) is determined and approved by the C-Suite. No formal remuneration committee has been established nor is required by the BaseCamp Group given the size of the operational structure and nature of the BaseCamp Group companies.

The members of the BaseCamp Board and executive management team receive a fixed annual remuneration amount and a variable remuneration in the form of an annual bonus. The variable remuneration or bonus is purely discretionary and payable at the determination of the BaseCamp Board.

Other than pension contributions and reimbursement of business expenses or any additional benefit provided for under the relevant employment or service agreement which is jurisdictional specific, no additional benefits are payable to the executive officers and management team.

Remuneration of the BaseCamp Board and executive management team (in EUR) for the financial year ended 31 December 2021 was as follows:

	2021
Number of persons on balance sheet (i.e. executive management team)	19
Basic remuneration	4,255,797
Variable remuneration	400,031
Pensions	0
Total remuneration of the executive management team	**4,655,828**

Service agreements

BaseCamp Group has concluded agreements with its key managers, including the CEO, CFO and executive chair, all of which are on standard terms and contain customary non-compete clauses and notice periods.

Audit committee

The BaseCamp Board has established an audit risk committee to provide support to the BaseCamp Board in carrying out its responsibilities of monitoring the financial reporting process, the annual accounts and the internal control and risk management practices.

Quarterly, the audit risk committee meets to examine the systems of internal control and risk management set up by the executive management team, with the aim of ensuring that the main risks (including the ones relating to the non-compliance with law and regulations) are identified and managed accordingly.

The audit risk committee has no decision power and is solely a consultative body. The committee reports to the BaseCamp Board, which takes the decisions.

The audit risk committee is comprised of the Executive Chair, CEO, CFO, Chief of Staff and Head of Internal Control and Risk Management of the BaseCamp group, the Managing Director of ESHF I and ESHF II, BaseCamp Group Legal Counsel, and BaseCamp Group Data & Sustainability Manager.

Conflicts of interest

According to Part 10, Chapter 2, Section 175 of the Companies Act 2006 of the United Kingdom (which applies to BaseCamp), directors must avoid a situation where there is a conflict, or possible conflict, between the duties the directors owe to the company and either their personal interests or other duties they owe to a third party. Where one or more directors could have a conflict of interest of a financial nature with a decision or transaction that is to be resolved upon by the board of directors, in such case, the particular director needs to inform the other directors of such conflict prior to the meeting of the board of directors and the declaration of such conflict of interest should be included in the minutes of the board of directors as well as a description of the conflict of interest in question and nature of the concerned decision or transaction.

The shareholders of BaseCamp are also the directors of BaseCamp and BaseCamp Real Estate Partners Ltd and may also sit on the boards of the relevant subsidiary companies as directors.

BaseCamp and BaseCamp Real Estate Partners Ltd are appointed as the investment advisers to (the alternative investment fund manager(s)) of ESHF I and ESHF II, and their respective affiliates, officers, directors and shareholders, employees and agents are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of ESHF I and ESHF II or the investment vehicles and/or their respective roles with respect to ESHF I and ESHF II and such investment vehicles. These activities may include managing or advising other portfolios, purchasing and selling of assets, valuation of assets and property management. Such persons are required to use their reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflict which may arise will be resolved fairly.

The Real Estate Investment Advisory Services and the terms on which BaseCamp and BaseCamp Real Estate Partners Ltd, as investment advisers, are engaged are set out in the relevant Investment Advisor Agreements applicable to BaseCamp and Base Camp Real Estate Partners Ltd. These impose obligations on the investment advisers to clearly disclose the general nature or sources of conflicts of interest to ESHF I and ESHF II and their alternative investment fund managers. These documents also provide for events which are not considered conflicts and processes for management of conflicts of interest that arise.

The Project Management Services and Property Management Services of the Basecamp Group performed for ESHF I and ESHF II and their investment vehicles are governed by the fund approved standard form project management and property management agreements (as applied to each property) and no conflict arises.

The BaseCamp Group has implemented policies and procedures with a view to limiting the risk of any conflicts of interest and the potential for any adverse impact on the BaseCamp Group.

2.4.1.9 Employees

The BaseCamp Group employs approximately 94 full time employees (including the executive management team) across the United Kingdom, Poland, Germany and Denmark. In addition, the BaseCamp Group engages contractors for specific works or interim employees to cover its regular temporary needs at student residences managed by the BaseCamp Group.

Department	UK	Germany	Nordics	Poland
Office	8	7	4	6
Development	0	6	4	7
Finance	1	9	4	7
Operations	0	9	10	12
Total	**9**	**31**	**22**	**32**

The BaseCamp Group operates defined contribution pension plans in certain jurisdictions, including the United Kingdom, Denmark and Germany, whereby employees are automatically enrolled in the statutory pension scheme and fixed contributions are automatically paid by the employer as part of the payroll calculation. In addition, an Employee Capital Plan (PKK) is operated for employees in Poland.

The total payroll & related expenses (in EUR) of the BaseCamp Group for the financial year ended at 31 December 2021 were composed as follows:

Expenses	Germany	Denmark	Poland	United Kingdom	Total
Salaries & Wages	2,569,175	1,927,463	1,507,885	2,689,744	**8,694,266**
Payroll taxes	423,152	15,745	-	192,679	**631,576**

Bonus & Incentives	365,737	139,682	193,605	70,608	**769,631**
Employee benefits	51,511	149,448	103,196	107,604	**411,759**
Total	**3,409,576**	**2,232,337**	**1,804,686**	**3,060,634**	**10,507,233**

2.4.1.10 Related party transactions

Other than the Investment Advisory Agreements with (the alternative investment fund manager(s) of) ESHF I and ESHF II and the property development and management agreements with their subsidiaries (including the Contributed Companies) (see Chapter 2.4.1.3 of this Securities Note), BaseCamp Group has not entered into any other related party transactions at any time during the period from incorporation to the date of this Securities Note.

2.4.1.11 Legal and arbitration proceedings

Other than the legal claim relating to the Lyngby Student Property (see Chapter 2.4.2.8 of this Securities Note), there are no legal or arbitration proceedings with a dispute value of EUR 500,000 or more, and BaseCamp is not aware of any legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this Securities Note which may have, or have had in the recent past, a significant effect on the financial position or profitability of the BaseCamp Group.

2.4.1.12 Material contracts

There are no material contracts entered into other than in the ordinary course of any member of the BaseCamp Group's business or under which a member of the BaseCamp Group has a material obligation or entitlement, for the last two years.

The following material contracts have been entered into by the BaseCamp Group in the ordinary course of business.

<u>Investment Advisor Agreements</u>

There are three Investment Advisor Agreements entered into by BaseCamp and BaseCamp Real Estate Partners Ltd.

Investment Advisor Agreement dated 1 January 2019 between BaseCamp and E2H

BaseCamp was appointed as investment adviser to E2H to provide Real Estate Investment Advisory Services to and assist with the implementation of the investment objectives and policies of E2H. BaseCamp (as investment adviser) is required to provide Real Estate Investment Advisory Services to E2H and each of its subsidiaries, including certain of the Contributed Companies.

The appointment of BaseCamp as investment adviser is indefinite, unless terminated by BaseCamp or E2H by written notice to the other party if the parties cease to be permitted to act in their respective capacities under applicable laws or if at any time either party becomes insolvent.

Under the terms of the Investment Advisor Agreement, BaseCamp is entitled to an annual investment advisory fee equal to one per cent (1%) per annum of the invested equity in investments of E2H (plus any applicable VAT).

The Investment Advisor Agreement is governed by the laws of England and Wales.

Investment Advisor Agreement dated 7 July 2021 between BaseCamp Real Estate ICAV, DMS Investment Management Services (Europe) Limited and BaseCamp Real Estate Partners Ltd

DMS Investment Management Services (Europe) Limited, as alternative investment fund manager of ESHF II, appointed BaseCamp Real Estate Partners Ltd to provide Real Estate Investment Advisory Services to and assist with the implementation of the investment objectives and policies of ESHF II. The Investment Advisor Agreement requires BaseCamp Real Estate Partners Ltd to provide the Real Estate Investment Advisory Services to ESHF II and its investment vehicles, including certain of the Contributed Companies.

The term of the Investment Advisor Agreement as it relates to ESHF II is co-terminus with the term of ESHF II as an alternative investment fund subject to early termination for or without cause by the alternative investment fund manager following a vote, or a written request, of the class A shareholders of ESHF II with the applicable majorities.

The investment advisory fees equal one per cent (1%) per annum of the class A share commitments to ESHF II during its investment period and, subsequent to the investment period, will equal one per cent (1%) per annum on the invested equity in ESHF II investments attributable to the class A shares, in each case plus any applicable VAT.

The Investment Advisor Agreement is governed by the laws of Ireland.

Investment Advisor Agreement dated 18 December 2015 between DMS QIAIF Platform ICAV, DMS Offshore Management (Europe) Limited and BaseCamp

DMS Offshore Management Services (Europe) Limited, as alternative investment fund manager of ESHF I, appointed BaseCamp to provide Real Estate Investment Advisory Services to and assist with the implementation of the investment objectives and policies of ESHF I. The Investment Advisor Agreement requires BaseCamp to provide the Real Estate Investment Advisory Services to ESHF I and its investment vehicles, including certain of the Contributed Companies.

The term of the Investment Advisor Agreement as it relates to ESHF I is co-terminus with the term of ESHF I as an alternative investment fund subject to early termination for or without cause by the alternative investment fund manager following a vote, or a written request, of the class A shareholders of ESHF II with the applicable majorities.

The investment advisory fees equal one per cent (1%) per annum of the class A share commitments to ESHF I during its investment period and, subsequent to its investment period, one per cent (1%) per annum on the invested equity in ESHF I investments attributable to the class A shares, in each case plus any applicable VAT.

The Investment Advisor Agreement is governed by the laws of Ireland.

Project management agreements

BaseCamp Group provides Project Management Services to certain Contributed Companies (as well as to other subsidiaries of ESHF I and ESHF II with properties under development) pursuant to a standard form project management agreement. In consideration for the provision of such services, the relevant member of the BaseCamp Group is entitled to a base fee of EUR 180,000 (or such other amount as may be agreed) and property management fee equating to 2.5% plus VAT of the development contract costs in aggregate.

In respect of each construction project the agreed form contract for Project Management Services requires the relevant member of the BaseCamp Group, as project manager, to carry out initial planning work on a project and then manage and coordinate the development services to be provided and work done, by the professional team and the main contractor. The project manager will be responsible for the overall coordination of the delivery of each project.

The Project Management Services consist in (i) the inception of the project, (ii) feasibility studies, (iii) design and planning, (iv) procurement, (v) construction, (vi) commissioning and (vii) handover once the project is completed.

See Chapters 2.4.9.3, 2.4.10.3 and 2.4.11.3 of this Securities Note for more information on the project management agreements in respect of the Malmö Property, the Aarhus Properties and the Aachen Property, respectively.

Property management agreements

BaseCamp Group provides Property Management Services to certain Contributed Companies and to BC Skovbrynet Residential ApS (as well as to other subsidiaries of ESHF I and ESHF II with operational properties) pursuant to a standard form property management agreement. In consideration for the provision of such services, the relevant member of the BaseCamp Group is entitled to a property management fee equating to 10% of the rents received in respect of the property net of the utility costs deducted from the rent as received.

The agreed form property management agreement requires the relevant member of the BaseCamp Group, as local property manager, to provide Property Management Services to the relevant property-holding company. The Property Management Services consist in (i) the set-up of each property for letting, (ii) marketing and branding, (iii) letting and arranging execution of tenancy agreements, (iv) deposit/guarantee/rent collection, (v) preparation and distribution of information welcome packs, (vi) utility and credit control, (vii) check-in/check-out procedures, (viii) running websites for each property, (ix) (organising the) monitoring the condition of the property and engaging contractors on behalf of the owner for the ground running, maintenance and cleaning of each property, providing interactive systems for maintenance issues, (x) furniture, fixtures, mechanical and engineering life-cycle planning, (xi) providing reporting systems and reporting to the owner on income, expenditure, vacancy, building costs, rent levels, and technical issues, and (xii) establishment of a student representative program acting as a link between owner, property manager and customers.

Each property management agreement is adapted to provide for any relevant regulatory requirements in the local jurisdiction. Each property management agreement shall be for an initial term of three years and then may be terminated on six months written notice by either party or immediately upon written notice for cause.

See Chapters 2.4.1.4, 2.4.2.3, 2.4.3.3, 2.4.4.3, 2.4.5.3, 2.4.6.3, 2.4.7.3 and 2.4.8.3 of this Securities Note for more information on the property management agreements in respect of the Lyngby Residential Property, the Lyngby Student Property, the Potsdam Property, the Leipzig Property, the Łódź I Property, the Łódź II Property, the Katowice Property and the South Campus Property, respectively.

2.4.2 ST Skovbrynet Student ApS

2.4.2.1 History, structure and shareholders

ST Skovbrynet Student ApS, which holds the Lyngby Student Property, is fully held by STH and will be acquired by the Company on the Closing Date as part of the Contributions. See Chapter 2.2.1 of this Securities Note for more information on the Contributions and Chapter 2.3.1 of this Securities Note for the main terms of such transaction.

2.4.2.2 Articles of association, share capital and corporate purpose

The current articles of association of ST Skovbrynet Student ApS do not provide for categories of shares or for any restriction to the free transferability of the shares. There are no shareholders' agreements in place at the level of ST Skovbrynet Student ApS. There are no provisions in the articles of association that would have an effect of delaying, deferring or preventing a change in control of ST Skovbrynet Student ApS.

The share capital of ST Skovbrynet Student ApS currently amounts to DKK 2,000,000, divided into 2,000,000 shares with a nominal value of DKK 1 each. The share capital of ST Skovbrynet Student ApS is fully paid-up.

The purpose of the company is to conduct business in the real estate industry, as well as other activities connected therewith.

2.4.2.3 Business overview and principal activities and markets

ST Skovbrynet Student ApS is exclusively a property holding company, whose main activities consist of the ownership, development and letting of the Lyngby Student Property in Denmark, as well as entry into related service and supply contracts (with no shares or other financial assets not related to Lyngby Student Property).

The operations of ST Skovbrynet Student ApS are managed by BaseCamp Student Operations ApS pursuant to a property management agreement dated 22 March 2022. The agreed fee is 10% of revenues generated (EUR 370,000 for the financial year ended 31 December 2021). This covers payroll and related expenses of staff employed at the Lyngby Student Property. In addition, BaseCamp Student Operations Aps provides pre-opening services, marketing services, licencing of the brand, rent management, utility and guarantee collection, room allocation, engaging, monitoring and reporting on costs for cleaning, repair and maintenance of the property, capital expenditure life-cycle planning for the property, reporting of financial results and other key performance indicators.

See Chapter 2.4.1.3 of this Securities Note for the description of the market positioning of the Lyngby Student Property.

2.4.2.4 Properties

"**Lyngby Student Property**" is a student accommodation asset located at Skovbrynet 2 and 2A, 2800 Kongens, Lyngby, Denmark, and held by ST Skovbrynet Student ApS. It offers a total of 639 beds.

The development of the Lyngby Student Property was completed and became operational in August 2020. The property is based in a centralised location in Lyngby, Denmark, close to The Technical University of Denmark. The student property is a pioneer site for innovative construction and sustainability, utilising solar energy and heat recovery from the ventilation system.

The Lyngby Student Property won the 2019 Real Estate Media Project Award for the best real estate project in Denmark.

The development contains a range of facilities including a common space, gym, games room, laundry, library/reading room and rooftop walking/running track. There is also an underground car park and small retail space.

2.4.2.5 Operating and financial review

The following table shows the development of the Lyngby Student Property's operating result (in EUR) for the financial year ended 31 December 2019, the financial year ended 31 December 2020 and the financial year ended 31 December 2021:

Lyngby Student Property	2019	2020	% var	2021	% var
Occupancy	**0.0%**	**18.4%**	-	**45.7%**	148.1%
Average rent	-	831	-	867	4.3%
Student rent	-	488,692	-	3,035,520	521.2%
Commercial rent	-	-	-	-	-
Other income	-	1,435	-	38,877	2,609.9%
Total income	**-**	**490,126**	-	**3,074,397**	527.3%
EBITDA	**-**	**35,030**	-	**1,058,269**	2,921.0%
EBITDA margin	**0.0%**	**7.1%**	-	**34.4%**	381.6%

The Lyngby Student Property's total revenues increased from approx. EUR 489,000 in 2020 to approx. EUR 3,000,000 in 2021. Due to entry restrictions for foreign students relating to the outbreak of COVID-19, the stabilisation of the Lyngby Student Property occurred slower than anticipated.

As of June 2022, the Lyngby Student Property is almost fully let (average occupancy of 96.2%) and the average rent per room has increased by 3.4% over 2021.

The main expense categories of the Lyngby Student Property in 2021 were cleaning expenses (EUR 122,000, 4% of total revenues), administrative and general expenses (EUR 117,000, 3.8% of total revenues), and repair and maintenance expenses (EUR 311,000, 10.1% of total revenues). Expenses are expected to be fixed with only inflationary increase. As revenues stabilize, the profit margin will subsequently increase.

2.4.2.6 Capital resources

The Lyngby Student Property has historically financed its liquidity and capital needs primarily using funds generated from operations and borrowings.

ST Skovbrynet Student ApS, as borrower, entered into a facility agreement in an amount of DKK 575,000,000, with certain lenders and Pensionskassernes Administration A/S as agent, on 19 April 2019. The loan was used for refinancing and construction financing of the project and development costs.

On 27 January 2021, ST Skovbrynet Student ApS, as borrower, entered into an amendment agreement to the existing facility agreement with Pensionskassernes Administration A/S. The amendment agreement increased the mortgage registered on the property from DKK 575,000,000 to DKK 618,000,000, extended the redemption date from 1 October 2021 to 1 May 2023 and changed the agreed interest payment dates. With effect as from 1 January 2021, the loan facility is bearing interest at CIBOR 3M (calculated as 0 if CIBOR 3M is negative) plus 2.75%.

Liabilities

The following table shows a breakdown of the Lyngby Student Property's liabilities (in EUR) at 31 December 2021:

	31 December 2021
Current liabilities	
Due to affiliated and associated parties	-
Accounts payable	485,898
Accrued expenses	8,159,387
of which Shareholder Loan interests	*494,389*
Advance deposits	1,858,356
Other current liabilities	16,553,802
Total current liabilities	***27,057,443***
Non-current liabilities	
Bank loans	79,961,437
Shareholder Loans	3,004,037
Other non-current liabilities	3,919
Deferred tax liabilities	7,343,725
Total non-current liabilities	***90,313,117***
Total liabilities	***117,370,560***

Other current liabilities include a VAT liability that relates to VAT claimed during construction based on the assumption that the Lyngby Student Property was constructed as 'built to sell'. Due to delay in the stabilisation and subsequent lower than anticipated property value, the Lyngby

Student Property became operational under the current ownership. Subsequently, the VAT liability had to be recognised as the business incurs VAT exempt revenues. It is expected that the VAT liability will be settled as a result of the Contributions.

Cash flows

The cash flow is essentially dependent on operating activities and changes in tenant deposits.

The following table summarises the Lyngby Student Property's cash flows (in EUR) for the financial year ended 31 December 2021:

	2021
Net cash provided from op. activities	3,712,468
Net cash used for investing activities	-184,786
Net cash from financing activities	-1,285,458
Cash and cash equivalents at the beginning of the period	502,503
Effects of foreign exchange rate changes	438
Cash and cash equivalents at the end of the period	**2,745,165**

Main factors affecting the cash flow are operating activities such as rents collected and operating and other expenses paid. The financing cash flow mainly relate to interest payments.

2.4.2.7 Related party transactions

ST Skovbrynet Student ApS (as borrower) entered into an interest-bearing loan facility agreement with STH (as lender) on 20 June 2017, as amended on 30 June 2021 (also a Shareholder Loan). Pursuant to the terms of the Shareholder Loan, STH made available to ST Skovbrynet Student ApS an unsecured term loan facility up to EUR 40,000,000. The maturity date of the Shareholder Loan is 30 June 2026.

Other than the Shareholder Loan described above and the property management agreement in respect of the Lyngby Student Property (see Chapter 2.4.2.3 of this Securities Note), ST Skovbrynet Student ApS has not entered into any other related party transactions at any time during the period from incorporation to the date of this Securities Note.

2.4.2.8 Legal and arbitration proceedings

Other than as described below, there are no legal or arbitration proceedings with a dispute value of EUR 500,000 or more, and ST Skovbrynet Student ApS is not aware of any legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this Securities Note which may have, or have had in the recent past, a significant effect on the financial position or profitability of the ST Skovbrynet Student ApS.

On 24 May 2022, ST Skovbrynet Student ApS received a letter regarding a potential claim by Freja Ejendomme A/S, the company who originally sold the Lyngby Student Property to ST Skovbrynet Student ApS. The letter alleges that the purchase price paid for the Lyngby Student Property should have been higher due to the number of square meters actually built subsequent to the taking over of the Lyngby Student Property. The tentative claim is preliminarily set at DKK 18,020,000 plus interests since 24 November 2017.

2.4.2.9 Material contracts

Other than the facility agreement with Pensionskassernes Administration A/S and the Shareholder Loan described above and the property management agreement in respect of the Lyngby Student Property (see Chapter 2.4.2.3 of this Securities Note), there are no material contracts entered into other than in the ordinary course of ST Skovbrynet Student ApS' business or under which ST Skovbrynet Student ApS has a material obligation or entitlement, for the last two years.

2.4.3 ST Potsdam S.à r.l.

2.4.3.1 History, structure and shareholders

ST Potsdam S.à r.l., which holds the Potsdam Property, is fully held by STH and will be acquired by the Company on the Closing Date as part of the Contributions. See Chapter 2.2.1 of this Securities Note for more information on the Contributions and Chapter 2.3.1 of this Securities Note for the main terms of such transaction.

2.4.3.2 Articles of association, share capital and corporate purpose

The current articles of association of ST Potsdam S.à r.l. do not provide for categories of shares or for any restriction to the free transferability of the shares. There are no shareholders' agreements in place at the level of ST Potsdam S.à r.l. There are no provisions in the articles of association that would have an effect of delaying, deferring or preventing a change in control of ST Potsdam S.à r.l.

The share capital of ST Potsdam S.à r.l. currently amounts to EUR 12,500, divided into 12,500 shares with a nominal value of EUR 1 each. The share capital of ST Potsdam S.à r.l. is fully paid-up.

The purpose of the company is to conduct business in the real estate industry, as well as other activities connected therewith.

2.4.3.3 Business overview and principal activities and markets

ST Potsdam S.à r.l. is exclusively a property holding company, whose main activities consist in the ownership, development and letting of the Potsdam Property in Germany, as well as entry into related service and supply contracts (with no shares or other financial assets not related to the Potsdam Property).

The operations of ST Potsdam S.à r.l. are managed by Basecamp Student Operations GmbH pursuant to a property management agreement dated 27 July 2017. The agreed fee is 10% of revenues generated (EUR 190,000 for the financial year ended 31 December 2021). This covers payroll and related expenses of staff employed at the Potsdam Property. In addition, Basecamp Student Operations GmbH provides pre-opening services, marketing services, licencing of the brand, rent management, utility and guarantee collection, room allocation, engaging, monitoring and reporting on costs for cleaning, repair and maintenance of the property, capital expenditure life-cycle planning for the property, reporting of financial results and other key performance indicators.

See Chapter 2.4.1.3 of this Securities Note for the description of the market positioning of the Potsdam Property.

2.4.3.4 Properties

"**Potsdam Property**" is a student accommodation asset located at Liegenschaft Kossätenweg 25, 14476, Potsdam, Germany, and held by ST Potsdam S.à r.l. It offers a total of 263 beds.

The development of the Potsdam Property was completed and became operational in October 2017. Gross floor area is 10,131 square meters and contains 263 rooms. The property is based in a centralised location, approximately 250 meters from the University of Potsdam-Golm campus and approximately 150 meters from the Max Planck Institute for Molecular Plant Physiology. The Fraunhofer Institutes for Biomedical Technology and Applied Polymer Research are also nearby, with close proximity to Golm light-rail train station, which provides direct links to Berlin and central Potsdam.

Occupancy as at June 2022 was 99.4%.

The development contains a range of facilities including a gym, common areas, cinema room, games room, laundry, study/reading room and rooftop terraces.

2.4.3.5 Operating and financial review

The following table shows the development of the Potsdam Property's operating result (in EUR) for the financial year ended 31 December 2019, the financial year ended 31 December 2020 and the financial year ended 31 December 2021:

Potsdam Property	2019	2020	% var	2021	% var
Occupancy	**88.5%**	**84.0%**	**-5.1%**	**97.3%**	**15.8%**
Average rent	551	527	-4.5%	583	10.8%
Student rent	1,540,000	1,395,991	-9.4%	1,790,858	28.3%
Commercial rent	-	-	-	-	-
Other income	47,340	23,509	-50.3%	97,539	314.9%
Total income	**1,587,340**	**1,419,501**	-10.6%	**1,888,397**	33.0%
EBITDA	**826,878**	**619,548**	-25.1%	**814,245**	31.4%
EBITDA margin	**52.1%**	**43.6%**	**-16.2%**	**43.1%**	**-1.2%**

The Potsdam Property's total revenues decreased by 10.6% from approx. EUR 1,540,000 in the financial year ended 31 December 2019 to approx. EUR 1,400,000 in the financial year ended 31 December 2020 due to the outbreak of COVID-19 and the subsequent decrease in occupancy as universities moved to virtual teaching and the number of students demanding accommodation decreased. Revenues increased by 33.0% to approx. EUR 1,880,000 in the financial year ended 31 December 2021 as restrictions eased and demand increased again.

At the beginning of 2021 and for the duration of two years, the Potsdam Property secured a corporate contract with the German armed forces school for 35 rooms at an average rent significantly above the average rent of the Potsdam Property with added services such as cleaning and linen change and including agent commission. This contract contributed significantly to the average rent increase but also lead to an increase in operating expenses.

As of June 2022, the Potsdam Property is almost fully let (average occupancy of 99.4%) and the average rent per room has increased by 7.5% over 2021.

The main expense categories of the Potsdam Property in 2021 were cleaning expenses (EUR 83,000, 4.4% of total revenues), real estate agent commission relating to a group booking from the German military school (EUR 45,000, 2.4% of total revenues), administrative and general expenses (EUR 72,000, 3.8% of total revenues), repair and maintenance expenses (EUR 195,000, 10.3% of total revenues) and management fees (EUR 190,000, 10% of total revenues). Expenses are expected to be fixed with only inflationary increases.

2.4.3.6 Capital resources

The Potsdam Property has historically financed its liquidity and capital needs primarily using funds generated from operations and borrowings.

ST Potsdam S.à r.l., as borrower, entered into a loan agreement in an amount of EUR 15,500,000 with Mittelbrandenburgische Sparkasse as the bank on 17 March 2017 for the purpose of the financing of the development of the Potsdam Property. The interest rate for each interest period is the sum of the 3-month Euribor + 2.22%. The loan was set with a maturity date of 31 May 2037.

On 21 February 2022, ST Potsdam S.à r.l., as borrower, entered into a EUR 18,000,000 facility agreement with DZ HYP AG, as lender, to fully repay the loan with Mittelbrandenburgische Sparkasse Potsdam and a portion of the interest-bearing loan to ST Holdings S.à r.l. The interest rate is set at 1.25% p.a. The maturity date is 27 February 2026.

Liabilities

The following table shows a breakdown of the Potsdam Property's liabilities (in EUR) at 31 December 2021:

	31 December 2021
Current liabilities	
Due to affiliated and associated parties	19,128
Accounts payable	37,186
Accrued expenses	546,506
of which Shareholder Loan interests	*272,355*
Advance deposits	295,510
Other current liabilities	7,984
Total current liabilities	***906,314***
Non-current liabilities	
Bank loans	12,011,319
Shareholder Loans	10,088,685
Other non-current liabilities	-
Deferred tax liabilities	1,856,457
Total non-current liabilities	***14,956,461***
Total liabilities	***15,862,775***

Cash flows

The cash flow is essentially dependent on operating activities and changes in tenant deposits.

The following table summarises the Potsdam Property's cash flows (in EUR) for the financial year ended 31 December 2021:

	2021
Net cash provided from op. activities	-2,001,105
Net cash used for investing activities	27,769
Net cash from financing activities	2,281,867
Cash and cash equivalents at the beginning of the period	303,486
Cash and cash equivalents at the end of the period	**612,017**

The main factors influencing the cash flows in the financial year ended 31 December 2021 were the payment of VAT claimed during construction of the property and the financing of this payment via an additional drawdown of the relevant Shareholder Loan. The VAT will be repaid by the tax authorities over the next six years in instalments of EUR 261,000 per year.

2.4.3.7 Related party transactions

ST Potsdam S.à r.l. (as borrower) entered into an interest-bearing loan facility agreement with STH (as lender) on 15 November 2016, as amended on 10 May 2021 (also a Shareholder Loan). Pursuant to the terms of the Shareholder Loan, STH made available to ST Potsdam S.à r.l. an unsecured term loan facility up to EUR 10,000,000. The maturity date of the Shareholder Loan is 26 July 2026.

Other than the Shareholder Loan described above and the property management agreement in respect of the Potsdam Property (see Chapter 2.4.3.3 of this Securities Note), ST Potsdam S.à r.l. has not entered into any related party transactions at any time during the period from incorporation to the date of this Securities Note.

2.4.3.8 Legal and arbitration proceedings

There are no legal or arbitration proceedings with a dispute value of EUR 500,000 or more, and ST Potsdam S.à r.l. is not aware of any legal or arbitration proceedings, pending or threatened, during the 12 months preceding the date of this Securities Note which may have, or have had in the recent past, a significant effect on the financial position or profitability of the ST Potsdam S.à r.l.

2.4.3.9 Material contracts

Other than the facility agreement with DZ HYP AG and the Shareholder Loan described above and the property management agreement in respect of the Potsdam Property (see Chapter 2.4.3.3 of this Securities Note), there are no material contracts entered into other than in the ordinary course of ST Potsdam S.à r.l.'s business or under which ST Potsdam S.à r.l. has a material obligation or entitlement, for the last two years.

2.4.4 Studentenwohnheim Prager Strasse GmbH

2.4.4.1 History, structure and shareholders

Studentenwohnheim Prager Strasse GmbH, which holds the Leipzig Property, is fully held by ST Leipzig S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg and registered with the *Registre de Commerce et des Sociétés* under number B128236, which is in turn fully held by STH.

Studentenwohnheim Prager Strasse GmbH will be acquired by the Company on the Closing Date as part of the Contributions. See Chapter 2.2.1 of this Securities Note for more information on the Contributions and Chapter 2.3.1 of this Securities Note for the main terms of such transaction.

2.4.4.2 Articles of association, share capital and corporate purpose

The current articles of association of Studentenwohnheim Prager Strasse GmbH do not provide for categories of shares or for any restriction to the free transferability of the shares. There are no shareholders' agreements in place at the level of Studentenwohnheim Prager Strasse GmbH. There are no provisions in the articles of association that would have an effect of delaying, deferring or preventing a change in control of Studentenwohnheim Prager Strasse GmbH.

The share capital of Studentenwohnheim Prager Strasse GmbH currently amounts to EUR 25,000,000, divided into 2 shares, one with a nominal value of EUR 24,000 and one with a nominal value of EUR 1,000. The share capital of Studentenwohnheim Prager Strasse GmbH is fully paid-up.

The purpose of the company is to conduct business in the real estate industry, as well as other activities connected therewith.

2.4.4.3 Business overview and principal activities and markets

Studentenwohnheim Prager Strasse GmbH is exclusively a property holding company, whose main activities consist in the ownership, development and letting of the Leipzig Property in Germany, as well as entry into related service and supply contracts (with no shares or other financial assets not related to the Leipzig Property).

The operations of Studentenwohnheim Prager Strasse GmbH are managed by Basecamp Student Operations GmbH pursuant to a property management agreement dated 15 February 2016. The agreed fee is 10% of revenues generated (EUR 178,000 for the financial year ended 31 December 2021). This covers payroll and related expenses of staff employed at the Leipzig Property. In addition, Basecamp Student Operations GmbH provides pre-opening services, marketing services, licencing of the brand, rent management, utility and guarantee collection, room allocation, engaging, monitoring and reporting on costs for cleaning, repair and maintenance of the building, capital expenditure life-cycle planning for the Leipzig Property, reporting of financial results and other key performance indicators.

See Chapter 2.4.1.3 of this Securities Note for the description of the market positioning of the Leipzig Property.

2.4.4.4 Properties

"**Leipzig Property**" is a student accommodation asset located at Prager Strasse 53, 04317, Leipzig, Germany, and held by Studentenwohnheim Prager Strasse GmbH. It offers a total of 412 beds.

The development of the Leipzig Property was completed and became operational in October 2018. Gross floor area is 15,818 square meters and contains 385 rooms. The Leipzig Property is centrally located, approximately 250 meters from the main Leipzig University campus and approximately 1.6 kilometer from the city centre.

Occupancy was 92.6% as at June 2022.

Facilities within the property comprise a gym, cinema, disco room, outdoor and communcal areas and study pods.

2.4.4.5 Operating and financial review

The following table shows the development of the Leipzig Property's operating result (in EUR) for the financial year ended 31 December 2019, the financial year ended 31 December 2020 and the financial year ended 31 December 2021:

Leipzig Property	**2019**	**2020**	**% var**	**2021**	**% var**
Occupancy	**45.8%**	**81.5%**	77.9%	**85.5%**	4.8%
Average rent	481	488	1.4%	510	4.5%
Student rent	1,017,925	1,836,577	80.4%	2,012,999	9.6%
Commercial rent	-	-	-	-	-
Other income	4,122	14,145	243.1%	36,496	158.0%
Total income	**1,022,047**	**1,850,722**	81.1%	**2,049,495**	10.7%
EBITDA	**484,913**	**896,112**	84.8%	**615,289**	-31.3%
EBITDA margin	**47.4%**	**48.4%**	2.1%	**30.0%**	-38.0%

The Leipzig Property's total revenues increased by 77.9% from approx. EUR 1,020,000 in the financial year ended 31 December 2019 to approx. EUR 1,840,000 in the financial year ended 31 December 2020 and by 9.6% to approx. EUR 2,010,000 in the financial year ended 31 December 2021. Stabilisation of the Leipzig Property has been slower than expected due to the outbreak of COVID-19 but has been achieved at the beginning of 2022. The 2021 EBITDA was affected by prior year expenses (approx. EUR 326,000) relating mainly to IT and marketing services and underaccrued utility costs.

As of June 2022, the Leipzig Property is almost fully let (average occupancy of 92.6%) and the average rent per room has increased by 8% over 2021.

The main expense categories of the Leipzig Property in 2021 were cleaning expenses (EUR 70,000, 3.4% of total revenues), administrative and general expenses (EUR 66,000, 3.3% of total revenues), and repair and maintenance expenses (EUR 287,000, 14.2% of total revenues). With the exception of repair and maintenance where expenses are expected to decrease and are forecasted at EUR 184,000 for 2022 due to contract negotiations and efficiency gains, expenses are expected to be fixed with only inflationary increases.

2.4.4.6 Capital resources

The Leipzig Property has historically financed its liquidity and capital needs primarily using funds generated from operations and borrowings.

On 17 December 2020 a loan of EUR 19,000,000 was granted by Sparkasse Leipzig to Studentenwohnheim Prager Strasse GmbH (100% owned by ST Leipzig S.à r.l.), as the borrower, for a period of 10 years, bearing fixed interest based on the Swap-rate EUR 10 years + a margin of 160 bps.

<u>Liabilities</u>

The following table shows a breakdown of the Leipzig Property's liabilities (in EUR) at 31 December 2021:

	31 December 2021
Current liabilities	
Due to affiliated and associated parties	-
Accounts payable	298,827
Accrued expenses	1,059,597
of which Shareholder Loan interests	*640,770*
Advance deposits	251,014
Other current liabilities	-
Total current liabilities	***1,609,438***
Non-current liabilities	
Bank loans	18,640,000
Shareholder Loans	15,720,503
Other non-current liabilities	-
Deferred tax liabilities	1,116,808
Total non-current liabilities	***35,477,312***
Total liabilities	***37,086,750***

<u>Cash flows</u>

The cash flow is essentially dependent on operating activities and changes in tenant deposits.

The following table summarises the Leipzig Property's cash flows (in EUR) for the financial year ended 31 December 2021:

	2021
Net cash provided from op. activities	168,971
Net cash used for investing activities	-2,989
Net cash from financing activities	-868,708
Cash and cash equivalents at the beginning of the period	947,244
Cash and cash equivalents at the end of the period	**244,519**

The cash flow is essentially dependent on operating activities, changes in tenant deposits and repayment of long-term loans and interests.

2.4.4.7 Related party transactions

Studentenwohnheim Prager Strasse GmbH (as borrower) entered into an interest-bearing loan facility agreement with STH (as lender) on 22 September 2016 (also a Shareholder Loan). Pursuant to the terms of the Shareholder Loan, STH made available to Studentenwohnheim Prager Strasse GmbH an unsecured term loan facility up to EUR 21,000,000. The maturity date of the Shareholder Loan is 26 July 2026.

Studentenwohnheim Prager Strasse GmbH further borrowed a total amount of approx. EUR 3,600,000 from ST Leipzig S.à r.l., with a first payment made on 31 August 2015 (also a Shareholder Loan). Such Shareholder Loan is not documented and has no fixed term.

Other than the Shareholder Loans described above and the property management agreement in respect of the Leipzig Property (see Chapter 2.4.4.3 of this Securities Note), Studentenwohnheim Prager Strasse GmbH has not entered into any related party transactions at any time during the period from incorporation to the date of this Securities Note.

2.4.4.8 Legal and arbitration proceedings

There are no legal or arbitration proceedings with a dispute value of EUR 500,000 or more, and Studentenwohnheim Prager Strasse GmbH is not aware of any legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this Securities Note which may have, or have had in the recent past, a significant effect on the financial position or profitability of Studentenwohnheim Prager Strasse GmbH.

2.4.4.9 Material contracts

Other than the loan with Sparkasse Leipzig and the Shareholder Loans described above and the property management agreement in respect of the Leipzig Property (see Chapter 2.4.4.3 of this Securities Note), there are no material contracts entered into other than in the ordinary course of Studentenwohnheim Prager Strasse GmbH's business or under which Studentenwohnheim Prager Strasse GmbH has a material obligation or entitlement.

2.4.5 ST Łódź Rewolucji 1905 Sp. z o.o.

2.4.5.1 History, structure and shareholders

ST Łódź Rewolucji 1905 Sp. z o.o., a perpetual usufructuary of the Łódź I Property, is fully held by STH and will be acquired by the Company on the Closing Date as part of the Contributions. See Chapter 2.2.1 of this Securities Note for more information on the Contributions and Chapter 2.3.1 of this Securities Note for the main terms of such transaction.

2.4.5.2 Articles of association, share capital and corporate purpose

The current articles of association of ST Łódź Rewolucji 1905 Sp. z o.o. do not provide for categories of shares or for any restriction to the free transferability of the shares. There are no shareholders' agreements in place at the level of ST Łódź Rewolucji 1905 Sp. z o.o. There are no provisions in the articles of association that would have an effect of delaying, deferring or preventing a change in control of ST Łódź Rewolucji 1905 Sp. z o.o.

The share capital of ST Łódź Rewolucji 1905 Sp. z o.o. currently amounts to PLN 5,000,000, divided into 2,000 shares with a nominal value of PLN 2,500 each. The share capital of ST Łódź Rewolucji 1905 Sp. z o.o. is fully paid-up.

The purpose of the company is to conduct business in the real estate industry, as well as other activities connected therewith.

2.4.5.3 Business overview and principal activities and markets

ST Łódź Rewolucji 1905 Sp. z o.o. is exclusively a property holding company, whose main activities consist in the ownership, development and letting of the Łódź I Property in Poland, as well as entry into related service and supply contracts (with no shares or other financial assets not related to the Łódź I Property).

The operations of ST Łódź Rewolucji 1905 Sp. z o.o. are managed by BaseCamp Real Estate Sp. z o.o. pursuant to a property management agreement dated 30 August 2021. The agreed fee is 9% of revenues generated (EUR 205,000 for the financial year ended 31 December 2021).

This covers payroll and related expenses of staff employed at the Łódź I Property. In addition, BaseCamp Real Estate Sp. z o.o provides pre-opening services, marketing services, licencing of the brand, rent, utility and guarantee collection, room allocation, engaging, monitoring and reporting on costs for cleaning, repair and maintenance of the property, capital expenditure life-cycle planning for the property, reporting of financial results and other key performance indicators.

See Chapter 2.4.1.3 of this Securities Note for the description of the market positioning of the Łódź I Property.

2.4.5.4 Properties

"**Łódź I Property**" is a student accommodation asset located at Rewolucji 1905 Street 45, Łódź, Poland, and held by ST Łódź Rewolucji 1905 Sp. z o.o. It offers a total of 624 beds.

The development of the Łódź I Property was completed and became operational in November 2017. Gross floor area is 26,304 square meters and contains 487 rooms. Łódź is the fifth largest academic city in Poland with circa 100,000 students and the University of Łódź is the fourth largest university in Poland with over 40,000 students. The Łódź I Property is located in the city centre of Łódź and within close proximity to the largest faculty of the University of Łódź.

Occupancy was 97.9% as at June 2022.

The Łódź I Property offers common space, library, study room, gym, laundry and common kitchens. The ground floor also offers retail space to third party tenants. These include BaseStack, a gaming café and sports arena affiliated to the BaseCamp Shareholders, and restaurant Pin-Up. BaseStack and Pin-Up regularly collaborate on marketing initiatives. Convenience store Żabka is also a tenant.

2.4.5.5 Operating and financial review

The following table shows the development of the Łódź I Property's operating result (in EUR) for the financial year ended 31 December 2019, the financial year ended 31 December 2020 and the financial year ended 31 December 2021:

Łódź I Property	2019	2020	% var	2021	% var
Occupancy	**86.7%**	**83.4%**	-3.9%	**84.9%**	1.9%
Average rent	280	290	3.3%	301	3.9%
Student rent	1,420,865	1,410,645	-0.7%	1,492,529	5.8%
Commercial rent	83,780	80,517	-3.9%	246,165	205.7%
Other income	53,706	178,069	231.6%	15,993	-91.0%
Total income	**1,558,352**	**1,669,230**	7.1%	**1,754,686**	5.1%
EBITDA	**329,521**	**940,055**	185.3%	**832,603**	-11.4%
EBITDA margin	**21.1%**	**56.3%**	166.3%	**47.5%**	-15.7%

The Łódź I Property's total revenues increased by 7.1% from approx. EUR 1,560,000 in the financial year ended 31 December 2019 to approx. EUR 1,670,000 in the financial year ended 31 December 2020 and by 5.1% to approx. EUR 1,760,000 in the financial year ended 31 December 2021. The revenue increase was driven by an increase in average rent, while occupancy remained relatively stagnant. Stabilisation of the Łódź I Property especially during summer has been slower than expected due to the outbreak of COVID-19 that prevented the execution of the summer strategy where summer school and corporate training programmes were expected to increase occupancy. The 2021 EBITDA was affected by prior year expense (approx. EUR 209,000) relating mainly to IT and marketing services.

As of January 2022, the Łódź I Property is almost fully let (average occupancy of 97.9%) and the average rent per room has increased by 13% over 2021.

The main expense categories of the Łódź I Property in 2021 were cleaning expenses (EUR 60,000, 4% of total revenues), administrative and general expenses (EUR 149,000, 8.9% of total revenues), repair and maintenance expenses (EUR 94,000, 5.6% of total revenues) and management fees (205,000 EUR, 12.3% of total revenues, including a fee relating to capital expenditure measures). Expenses are expected to be fixed with only inflationary increases.

2.4.5.6 Capital resources

The Łódź I Property has historically financed its liquidity and capital needs primarily using funds generated from operations and borrowings.

ST Łódź Rewolucji 1905 Sp. z o.o. (as borrower) entered into an investment facility agreement for an amount up to PLN 60,000,000 with Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. (as mandated lead arrangers, original lenders and original hedge counterparties), and Bank Polska Kasa Opieki S.A. (as facility agent, security agent and account bank) on 6 August 2019, as amended on 28 January 2020. Pursuant to the terms of the agreement, the lenders made available to ST Łódź Rewolucji 1905 Sp. z o.o. an investment facility up to PLN 60,000,000, with the termination date falling on the fifth anniversary of the first utilisation of the facility subject to its potential extension.

<u>Liabilities</u>

The following table shows a breakdown of the Łódź I Property's liabilities:

	31 December 2021
Current liabilities	
Due to affiliated and associated parties	241,109
Accounts payable	226,046
Accrued expenses	5,248,599
of which Shareholder Loan interests	*5,194,939*
Advance deposits	179,601
Other current liabilities	12,097,464
Total current liabilities	***17,992,819***
Non-current liabilities	
Bank loans	-
Shareholder Loans	9,954,264
Other non-current liabilities	1,023,954
Deferred tax liabilities	280,133
Total non-current liabilities	***11,258,351***
Total liabilities	***29,251,170***

Current liabilities include a bank loan that has been technically in default at the year end of the financial year ended 31 December 2021. The default has since then been rectified and the loan subsequently re-classified to non-current liabilities.

<u>Cash flows</u>

The following table summarises the property's cash flows for the period indicated:

	2021
Net cash provided from op. activities	866,216
Net cash used for investing activities	-325,857
Net cash from financing activities	-763,000
Cash and cash equivalents at the beginning of the period	941,173
Effects of foreign exchange rate changes	5,069

Cash and cash equivalents at the end of the period	**723,600**

The cash flow is essentially dependent on operating activities, changes in tenant deposits and repayment of long-term loans and interests.

Net cash from financing activities is mainly the amortisation of the Łódź I Property's mortgage, net cash used for investing activities relates to the capital expenditure relating to a new tenant lease agreement concluded during the year.

2.4.5.7 Related party transactions

ST Łódź Rewolucji 1905 Sp. z o.o. (as borrower) entered into an interest-bearing loan facility agreement with STH (as lender) on 17 May 2016, as amended on 23 January 2017, 8 June 2017, 26 September 2018, 18 February 2019 and 12 September 2019 (also a Shareholder Loan). Pursuant to the terms of the Shareholder Loan, STH made available to ST Łódź Rewolucji 1905 Sp. z o.o. an unsecured term loan facility up to EUR 15,000,000. The final repayment (maturity) date of the Shareholder Loan is 31st December 2027.

Other than the Shareholder Loan described above and the property management agreement in respect of the Łódź I Property (see Chapter 2.4.5.3 of this Securities Note), ST Łódź Rewolucji 1905 Sp. z o.o. has not entered into any related party transactions at any time during the period from incorporation to the date of this Securities Note.

2.4.5.8 Legal and arbitration proceedings

There are no legal or arbitration proceedings with a dispute value of EUR 500,000 or more, and ST Łódź Rewolucji 1905 Sp. z o.o. is not aware of any legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this Securities Note which may have, or have had in the recent past, a significant effect on the financial position or profitability of ST Łódź Rewolucji 1905 Sp. z o.o.

2.4.5.9 Material contracts

Other than the investment facility agreement with Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A., and Bank Polska Kasa Opieki S.A., and the Shareholder Loan as described above and the property management agreement in respect of the Łódź I Property (see Chapter 2.4.5.3 of this Securities Note), there are no material contracts entered into other than in the ordinary course of ST Łódź Rewolucji 1905 Sp. z o.o.'s business or under which ST Łódź Rewolucji 1905 Sp. z o.o. has a material obligation or entitlement.

2.4.6 ST Łódź Rembielińskiego Sp. z o.o.

2.4.6.1 History, structure and shareholders

ST Łódź Rembielińskiego Sp. z o.o., a perpetual usufructuary of the Łódź II Property, is fully held by STH and will be acquired by the Company on the Closing Date as part of the Contributions. See Chapter 2.2.1 of this Securities Note for more information on the Contributions and Chapter 2.3.1 of this Securities Note for the main terms of such transaction.

2.4.6.2 Articles of association, share capital and corporate purpose

The current articles of association of ST Łódź Rembielińskiego Sp. z o.o. do not provide for categories of shares or for any restriction to the free transferability of the shares. There are no shareholders' agreements in place at the level of ST Łódź Rembielińskiego Sp. z o.o. There are no provisions in the articles of association that would have an effect of delaying, deferring or preventing a change in control of ST Łódź Rembielińskiego Sp. z o.o.

The share capital of ST Łódź Rembielińskiego Sp. z o.o. currently amounts to PLN 5,000, divided into 100 shares with a nominal value of PLN 50 each. The share capital of ST Łódź Rembielińskiego Sp. z o.o. is fully paid-up.

The purpose of the company is to conduct business in the real estate industry, as well as other activities connected therewith.

2.4.6.3 Business overview and principal activities and markets

ST Łódź Rembielińskiego Sp. z o.o. is exclusively a property holding company, whose main activities consist in the ownership, development and letting of the Łódź II Property in Poland, as well as entry into related service and supply contracts (with no shares or other financial assets not related to the Łódź II Property).

The operations of ST Łódź Rembielińskiego Sp. z o.o. are managed by BaseCamp Real Estate Sp. z o.o. pursuant to a property management agreement dated 29 May 2020. The agreed fee is 9% of revenues generated (EUR 259,000 for the financial year ended 31 December 2021). This covers payroll and related expenses of staff employed at the Łódź II Property. In addition, BaseCamp Real Estate Sp. z o.o provides pre-opening services, marketing services, licencing of the brand, rent, utility and guarantee collection, room allocation, engaging, monitoring and reporting on costs for cleaning, repair and maintenance of the property, capital expenditure life-cycle planning for the property, reporting of financial results and other key performance indicators.

See Chapter 2.4.1.3 of this Securities Note for the description of the market positioning of the Łódź II Property.

2.4.6.4 Properties

"**Łódź II Property**" is a student accommodation and commercial space asset located at Rajmunda Rembielińskiego Street 16/18, Łódź, Poland, and held by ST Łódź Rembielińskiego Sp. z o.o. It offers a total of 631 beds with 2,300 square meters of commercial space.

The development of the Łódź II Property was completed and became operational in October 2020. Gross floor area is 28,564 square meters and contains 631 rooms. Łódź is the fifth largest academic city in Poland with circa 100,000 students and the University of Łódź is the fourth largest university in Poland with over 40,000 students. The Łódź II Property is located in the city of Łódź within close proximity to the faculties of the Lodz University of Technology in the Politechnika Łódzka area, between the Pasaż Łódzki and Sukcesja Shopping centers, and is a short walk to the Prince Józef Poniatowski Park.

Occupancy as at June 2022 was 91.1%.

The Łódź II Property offers common space, a library, a study room, a gym, laundry, common kitchens and a cinema room.

2.4.6.5 Operating and financial review

The following table shows the development of the Łódź II Property's operating result (in EUR) for the financial year ended 31 December 2019, the financial year ended 31 December 2020 and the financial year ended 31 December 2021:

Łódź II Property	**2019**	**2020**	**% var**	**2021**	**% var**
Occupancy	**0.0%**	**4.4%**	-	**27.4%**	529.1%
Average rent	-	310	-	304	-2.0%
Student rent	-	34,092	-	630,743	1,750.1%
Commercial rent	-	-	-	113,352	0.0%
Other income	-	49,753	-	845,073	1,598.5%
Total income	**-**	**83,845**	-	**1,589,168**	1,795.4%

EBITDA	**-**	**-239,196**	-	**530,005**	321.6%
EBITDA margin	**0.0%**	**-285.3%**	-	**33.4%**	-111.7%

The Łódź II Property's total income was approx. EUR 1,600,000 in the financial year ended 31 December 2021. Approx. EUR 808,000 of other income recorded relate to the disposal of a land plot owned by ST Łódź Rembielińskiego Sp. z o.o. Like other properties in the portfolio of the BaseCamp Group that opened in the midst of the outbreak of COVID-19, stabilisation of the Łódź II Property was achieved with significant delay.

As of June 2022, the Łódź II Property is almost fully let (average occupancy of 91.1%) and the average rent per room has increased by 12.3% over 2021.

The main expense categories of the Łódź II Property in 2021 were cleaning expenses (EUR 30,000, 5.7% of total revenues), administrative and general expenses (EUR 93,000, 13.2% of total revenues), sales & marketing expenses (EUR 95,000, 13.5% of total revenues) repair and maintenance expenses (EUR 59,000, 8.4% of total revenues) and management fees (EUR 259,000, 36.9% of total revenues, including a fee relating to capital expenditure measures). Expenses are expected to be fixed with only inflationary increases. As revenues stabilise, the profit margin will subsequently increase.

2.4.6.6 Capital resources

The Łódź II Property has historically financed its liquidity and capital needs primarily using funds generated from operations and borrowings.

ST Łódź Rembielińskiego Sp. z o.o. (as borrower) entered into a Term and VAT Facilities Agreement with Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. (as mandated lead arrangers, original lenders and original hedge counterparties), and Bank Polska Kasa Opieki S.A. (as facility agent, security agent and account bank) on 28 January 2020, as amended on 23 February 2021, 6 August 2021, 29 November 2021 and 30 December 2021. Pursuant to the terms of the agreement, the lenders made available to ST Łódź Rembielińskiego Sp. z o.o. construction, investment and VAT facilities up to PLN 67,803,000, with the termination date falling on the fourth anniversary of the conversion of the construction facility into the investment facility subject to its potential extension.

Liabilities

The following table shows a breakdown of the Łódź II Property's liabilities (in EUR) at 31 December 2021:

	31 December 2021
Current liabilities	
Due to affiliated and associated parties	32,981
Accounts payable	25,851
Accrued expenses	3,773,142
of which Shareholder Loan interests	*3,691,683*
Advance deposits	146,038
Other current liabilities	525,788
Total current liabilities	***4,503,800***
Non-current liabilities	
Bank loans	14,239,235
Shareholder Loans	19,129,061
Other non-current liabilities	463,201
Deferred tax liabilities	-
Total non-current liabilities	***33,831,497***
Total liabilities	***38,335,297***

Cash flows

The following table summarises the Łódź II Property's cash flows (in EUR) for the financial year ended 31 December 2021:

	2021
Net cash provided from op. activities	-636,834
Net cash from investing activities	1,583,336
Net cash from financing activities	179,928
Cash and cash equivalents at the beginning of the period	1,037,384
Effects of foreign exchange rate changes	8,431
Cash and cash equivalents at the end of the period	**2,172,245**

The cash flow is essentially dependent on operating activities, changes in tenant deposits and repayment of long-term loans and interests.

Net cash from financing activities mainly relates to the disposal of a land plot owned by ST Łódź Rembielińskiego Sp. z o.o.

2.4.6.7 Related party transactions

ST Łódź Rembielińskiego Sp. z o.o. (as borrower) entered into an interest-bearing loan facility agreement with STH (as lender) on 5 July 2017, as amended on 9 October 2019 and 26 March 2020 (also a Shareholder Loan). Pursuant to the terms of the Shareholder Loan, STH made available to ST Łódź Rembielińskiego Sp. z o.o. an unsecured term loan facility up to EUR 20,000,000. The final repayment (maturity) date of the Shareholder Loan is 30 June 2025.

Other than the Shareholder Loan described above and the property management agreement in respect of the Łódź II Property (see Chapter 2.4.6.3 of this Securities Note), ST Łódź Rembielińskiego Sp. z o.o. has not entered into any related party transactions at any time during the period from incorporation to the date of this Securities Note.

2.4.6.8 Legal and arbitration proceedings

There are no legal or arbitration proceedings with a dispute value of EUR 500,000 or more, and ST Łódź Rembielińskiego Sp. z o.o. is not aware of any legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this Securities Note which may have, or have had in the recent past, a significant effect on the financial position or profitability of ST Łódź Rembielińskiego Sp. z o.o.

2.4.6.9 Material contracts

Other than the Term and VAT Facilities Agreement with with Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A., and Bank Polska Kasa Opieki S.A., and the Shareholder Loan as described above and the property management agreement in respect of the Łódź II Property (see Chapter 2.4.6.3 of this Securities Note), there are no material contracts entered into other than in the ordinary course of ST Łódź Rembielińskiego Sp. z o.o.'s business or under which ST Łódź Rembielińskiego Sp. z o.o. has a material obligation or entitlement.

2.4.7 ST Katowice Krasińskiego Sp. z o.o.

2.4.7.1 History, structure and shareholders

ST Katowice Krasińskiego Sp. z o.o., which holds the Katowice Property, is fully held by STH and will be acquired by the Company on the Closing Date as part of the Contributions. See

Chapter 2.2.1 of this Securities Note for more information on the Contributions and Chapter 2.3.1 of this Securities Note for the main terms of such transaction.

2.4.7.2 Articles of association, share capital and corporate purpose

The current articles of association of ST Katowice Krasińskiego Sp. z o.o. do not provide for categories of shares or for any restriction to the free transferability of the shares. There are no shareholders' agreements in place at the level of ST Katowice Krasińskiego Sp. z o.o. There are no provisions in the articles of association that would have an effect of delaying, deferring or preventing a change in control of ST Katowice Krasińskiego Sp. z o.o.

The share capital of ST Katowice Krasińskiego Sp. z o.o. currently amounts to PLN 5,000, divided into 100 shares with a nominal value of PLN 50 each. The share capital of ST Katowice Krasińskiego Sp. z o.o. is fully paid-up.

The purpose of the company is to conduct business in the real estate industry, as well as other activities connected therewith.

2.4.7.3 Business overview and principal activities and markets

ST Katowice Krasińskiego Sp. z o.o. is exclusively a property holding company, whose main activities consist in the ownership, development and letting of the Katowice Property in Poland, as well as entry into related services and supply contracts (with no shares or other financial assets not related to the Katowice Property).

The operation of ST Katowice Krasińskiego Sp. z o.o. are managed by BaseCamp Real Estate Sp. z o.o. pursuant to a property management agreement dated 21 March 2022. The agreed fee is 10% of revenues generated (EUR 23,000 for the financial year ended 31 December 2021). This covers payroll and related expenses of staff employed at the Katowice Property. In addition, BaseCamp Real Estate Sp. z o.o provides pre-opening services, marketing services, licencing of the brand, rent, utility and guarantee collection, room allocation, engaging, monitoring and reporting on costs for cleaning, repair and maintenance of the property, capital expenditure life-cycle planning for the property, reporting of financial results and other key performance indicators.

See Chapter 2.4.1.3 of this Securities Note for the description of the market positioning of the Katowice Property.

2.4.7.4 Properties

"**Katowice Property**" is a student accommodation and commercial space asset located at ul. Paderewskiego 30, Katowice, Poland, and held by ST Katowice Krasińskiego Sp. z o.o. It offers a total of 733 beds with 2,236 square meters of commercial space.

The development of the Katowice Property was completed and became operational in October 2021. Gross floor area is 34,807 square meters and contains 733 rooms. The development contains 1,840 square meters of commercial space, which is pre-leased to JustGym and Żabka. The scheme provides high specification student accommodation in a prime location. Katowice is one of the biggest academic cities in Poland with more than 75,000 students.

The Katowice Property offers common space, a study room, a gym, common kitchens, a cinema room and laundry facilities.

2.4.7.5 Operating and financial review

The following table shows the development of the Katowice Property's operating result (in EUR) for the financial year ended 31 December 2019, the financial year ended 31 December 2020 and the financial year ended 31 December 2021:

Katowice Property	2019	2020	% var	2021	% var
Occupancy	**0.0%**	**0.0%**	-	**28.1%**	-
Average rent	-	-	-	289	-
Student rent	-	-	-	178,500	-
Commercial rent	-	-	-	21,027	-
Other income	-	-	-	87,305	-
Total income	**-**	**-**	-	**244,778**	-
EBITDA	**-**	**-**	-	**-176,551**	-
EBITDA margin	**0.0%**	**0.0%**	-	**-72.1%**	-

The Katowice Property's total income was approx. EUR 245,000 in 2021. Like other properties in the portfolio of the BaseCamp Group that opened in the midst of the outbreak of COVID-19, stabilisation of the Katowice Property was achieved with significant delay.

Following the Russian invasion in February 2022, a significant portion of the rooms (250 rooms) is rented to the IT company CapGemini that moved the families of their Ukrainian associates to Katowice (see Chapter 1.2.3.4 of this Securities Note for more information).

As of June 2022, the Katowice Property is almost fully let (average occupancy of 69.5%).

Having opened in October 2021, the main expense categories of the Katowice Property in 2021 were cleaning expenses (EUR 10,000, 5.8% of total revenues), administrative and general expenses (EUR 74,000, 39.8% of total revenues), sales & marketing expenses (EUR 123,000, 66.5% of total revenues), repair and maintenance expenses (EUR 15,000, 7.9% of total revenues) and management fees (EUR 23,000, 12.4% of total revenues). Expenses are expected to be fixed with only inflationary increases. As revenues stabilise, the profit margin will subsequently increase.

2.4.7.6 Capital resources

The Katowice Property has historically financed its liquidity and capital needs primarily using funds generated from operations and borrowings.

ST Katowice Krasińskiego Sp. z o.o. (as borrower) entered into a Term and VAT Facilities Agreement with Bank Polska Kasa Opieki S.A. and Powszechny Zakład Ubezpieczeń na Zycie S.A. (as mandated lead arrangers and original lenders), and Bank Polska Kasa Opieki S.A. (as facility agent, security agent, original hedge counterparty and account bank) on 10 September 2020, as amended on 22 October 2020, 8 February 2021, 26 February 2021, 30 September 2021, 30 December 2021 and 28 January 2022. Pursuant to the terms of the agreement, the lenders made available to ST Katowice Krasińskiego Sp. z o.o. construction, investment and VAT facilities up to PLN 78,500,000, with the termination date falling on the fifth anniversary of the conversion of the construction factility into the investment facility but not later than 31 December 2026 subject to its potential extension.

Liabilities

The following table shows a breakdown of the Katowice Property's liabilities (in EUR) at 31 December 2021:

	31 December 2021
Current liabilities	
Due to affiliated and associated parties	79,441
Accounts payable	1,192,989
Accrued expenses	3,370,261
of which Shareholder Loan interests	*3,342,408*
Advance deposits	71,733
Other current liabilities	911,131
Total current liabilities	***5,625,555***

Non-current liabilities	
Bank loans	15,690,990
Shareholder Loans	21,022,540
Other non-current liabilities	-
Deferred tax liabilities	-
Total non-current liabilities	***36,713,530***
Total liabilities	***42,339,085***

Other current liabilities include the current portion of the long-term bank loan.

Cash flows

The cash flow is essentially dependent on operating activities and changes in tenant deposits.

The following table summarises the Katowice Property's cash flows (in EUR) for the financial year ended 31 December 2021:

	2021
Net cash provided from op. activities	-390,776
Net cash from investing activities	-17,489,546
Net cash from financing activities	18,002,584
Cash and cash equivalents at the beginning of the period	240,508
Effects of foreign exchange rate changes	3,631
Cash and cash equivalents at the end of the period	**366,400**

During the financial year ended 31 December 2021, the cash flow was mainly impacted by the finalisation of the construction of the building and subsequent draws on the long-term bank loan.

2.4.7.7 Related party transactions

ST Katowice Krasińskiego Sp. z o.o. (as borrower) entered into an interest-bearing loan facility agreement with STH (as lender) on 7 October 2016, as amended on 6 November 2019 and 23 October 2020 (also a Shareholder Loan). Pursuant to the terms of the Shareholder Loan, STH made available to ST Katowice Krasińskiego Sp. z o.o. an unsecured term loan facility up to EUR 13,200,000. The final repayment (maturity) date of the Shareholder Loan is 30 June 2025.

Other than the Shareholder Loan described above and the property management agreement in respect of the Katowice Property (see Chapter 2.4.7.3 of this Securities Note), ST Katowice Krasińskiego Sp. z o.o. has not entered into any related party transactions at any time during the period from incorporation to the date of this Securities Note.

2.4.7.8 Legal and arbitration proceedings

There are no legal or arbitration proceedings with a dispute value of EUR 500,000 or more, and ST Katowice Krasińskiego Sp. z o.o. is not aware of any legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this Securities Note which may have, or have had in the recent past, a significant effect on the financial position or profitability of ST Katowice Krasińskiego Sp. z o.o.

2.4.7.9 Material contracts

Other than the Term and VAT Facilities Agreement with Bank Polska Kasa Opieki S.A. and Powszechny Zakład Ubezpieczeń na Zycie S.A., and Bank Polska Kasa Opieki S.A., and the Shareholder Loan as described above and the property management agreement in respect of the Katowice Property (see Chapter 2.4.7.3 of this Securities Note), there are no material contracts entered into other than in the ordinary course of ST Katowice Krasińskiego Sp. z o.o.'s business or under which ST Katowice Krasińskiego Sp. z o.o. has a material obligation or entitlement.

2.4.8 ESHF 2 Birketinget ApS

2.4.8.1 History, structure and shareholders

ESHF 2 Birketinget ApS, which holds the South Campus Property, is fully held by E2H and will be acquired by the Company on the Closing Date as part of the Contributions. See Chapter 2.2.1 of this Securities Note for more information on the Contributions and Chapter 2.3.1 of this Securities Note for the main terms of such transaction.

2.4.8.2 Articles of association, share capital and corporate purpose

The current articles of association of ESHF 2 Birketinget ApS do not provide for categories of shares or for any restriction to the free transferability of the shares. There are no shareholders' agreements in place at the level of ESHF 2 Birketinget ApS. There are no provisions in the articles of association that would have an effect of delaying, deferring or preventing a change in control of ESHF 2 Birketinget ApS.

The share capital of ESHF 2 Birketinget ApS currently amounts to DKK 51,000, divided into 51,000 shares with a nominal value of DKK 1 each. The share capital of ESHF 2 Birketinget ApS is fully paid-up.

The purpose of the company is to conduct business in the real estate industry, as well as other activities connected therewith.

2.4.8.3 Business overview and principal activities and markets

ESHF 2 Birketinget ApS is exclusively a property holding company, whose main activities consist in the ownership, development and letting of the South Campus Property in Denmark, as well as entry into related service and supply contracts (with no shares or other financial assets not related to the South Campus Property).

The operations of ESHF 2 Birketinget ApS are managed by BaseCamp Student Operations ApS pursuant to a property management agreement dated 22 March 2022. The agreed fee is 10% of revenues generated (EUR 192,000 for the financial year ended 31 December 2021), this covers payroll and related expenses of staff employed at the site. In addition, BaseCamp Student Operations ApS provides pre-opening services, marketing services, licencing of the brand, rent, utility and guarantee collection, room allocation, engaging, monitoring and reporting on costs for cleaning, repair and maintenance of the building; capital expenditure life-cycle planning for the South Campus Property, reporting of financial results and other KPIs.

See Chapter 2.4.1.3 of this Securities Note for the description of the market positioning of the South Campus Property.

2.4.8.4 Properties

"**South Campus Property**" is a student accommodation asset with title no. 990 Sundbyvester, København located at Birketinget 6, 2300 Copenhagen S, Denmark, and held by ESHF 2 Birketinget ApS. It offers a total of 350 beds.

The development of the South Campus property was completed and became operational in January 2021. Gross floor area is 13,900 square meters and contains 350 rooms. This project consists of the conversion and refurbishment of three existing office buildings on a single site. The South Campus Property is located less than 400 meters from the south campus of Copenhagen University.

The building structure, existing façade and windows were retained. New interior walls, new bathroom pods, new flooring and ceiling (for acoustical purposes) and new fire safety measures were required. A completely new common area was created in the basement according to BaseCamp standards and a total renovation of the reception lobby (interior and exterior) was completed. The development has no commercial tenant space.

2.4.8.5 Operating and financial review

The following table shows the development of the South Campus Property's operating result (in EUR) for the financial year ended 31 December 2019, the financial year ended 31 December 2020 and the financial year ended 31 December 2021:

South Campus	**2019**	**2020**	**% var**	**2021**	**% var**
Occupancy	**0.0%**	**0.0%**	-	**45.0%**	-
Average rent	-	-	-	812	-
Student rent	-	-	-	1,535,508	-
Commercial rent	-	-	-	-	-
Other income	-	-	-	4,343	-
Total income	-	**-**	-	**1,539,852**	-
EBITDA	-	**-**	-	**489,850**	-
EBITDA margin	**0.0%**	**0.0%**	-	**31.8%**	-

The South Campus Property's total income was approx. EUR 1,530,000 in 2021. Due to entry restrictions for foreign students relating to the outbreak of COVID-19, the stabilisation of the South Campus Property occurred slower than anticipated.

As of June 2022, the South Campus Property is fully let (average occupancy of 99.3%) and the average rent per room has increased by 3.8% over 2021.

The main expense categories of the South Campus Property in 2021 were cleaning expenses (EUR 69,000, 4.5% of total revenues), administrative and general expenses (EUR 83,000, 5.4% of total revenues), sales & marketing expenses (EUR 39,000, 2.5% of total revenues), repair and maintenance expenses (EUR 230,000, 14.9% of total revenues) and management fees (EUR 192,000, 12.5% of total revenues). Expenses are expected to be fixed with only inflationary increases. As revenues stabilise, the profit margin will subsequently increase.

2.4.8.6 Capital resources

The South Campus Property has historically financed its liquidity and capital needs primarily using funds generated from operations and borrowings.

On 3 July 2019, ESHF 2 Birketinget ApS, as borrower, entered into a loan agreement with Danske Bank, as lender, in order to finance the purchase of the South Campus Property. In this context, Danske Bank made available a loan of DKK 245,000,000 with an interest rate of 2% + Danske BOR.

On 29 November 2021, ESHF 2 Birketinget ApS entered into a DKK 363,000,000 loan agreement with RealKredit Danmark to refinance the loan with Danske Bank. The loan interest rate is set at 0.0276% p.a. The maturity date is 17 November 2051.

<u>Liabilities</u>

The following table shows a breakdown of the South Campus Property's liabilities (in EUR) at 31 December 2021:

	31 December 2021
Current liabilities	
Due to affiliated and associated parties	9,885

Accounts payable	43,528
Accrued expenses	336,301
of which shareholder loan interests	*0*
Advance deposits	1,092,034
Other current liabilities	136,297
Total current liabilities	***1,618,045***
Non-current liabilities	
Bank loans	48,813,942
Shareholder loans (incl. accrued interests)	14,055,761
Other non-current liabilities	-
Deferred tax liabilities	5,738,582
Total non-current liabilities	***68,608,285***
Total liabilities	***70,226,330***

The bank loan obtained by ESHF 2 Birketinget ApS for the long-term financing of the underlying South Campus Property has a term until end of December 2051 and will not be amortised over the first 10 years with only ongoing interest payments.

Cash flows

The cash flow is essentially dependent on operating activities and changes in tenant deposits.

The following table summarises the South Campus Property's cash flows (in EUR) for the financial year ended 31 December 2021:

	2021
Net cash provided from op. activities	-755,350
Net cash from for investing activities	-2,582,794
Net cash from financing activities	19,005,226
Cash and cash equivalents at the beginning of the period	36,825
Effects of foreign exchange rate changes	-42
Cash and cash equivalents at the end of the period	**15,703,864**

The cash flow of the period is significantly affected by the refinancing of the South Campus Property. The excess cash generated was used to fully repay the shareholder loan and accrued shareholder loan interest after year end 2021.

2.4.8.7 Related party transactions

ESHF 2 Birketinget ApS (as borrower) entered into an interest-bearing loan facility agreement with E2H (as lender) on 29 April 2019. Pursuant to the terms of such interest-bearing loan facility agreement, E2H made available to ESHF 2 Birketinget ApS an unsecured term loan facility up to EUR 17,210,000.

Other than the interest-bearing loan facility agreement described above and the property management agreement in respect of the South Campus Property (see Chapter 2.4.8.3 of this Securities Note), ESHF 2 Birketinget ApS has not entered into any related party transactions at any time during the period from incorporation to the date of this Securities Note.

2.4.8.8 Legal and arbitration proceedings

There are no legal or arbitration proceedings with a dispute value of EUR 500,000 or more, and ESHF 2 Birketinget ApS is not aware of any legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this Securities Note which may have, or have had in the recent past, a significant effect on the financial position or profitability of ESHF 2 Birketinget ApS.

2.4.8.9 Material contracts

Other than the loan agreement with RealKredit Danmark and the interest-bearing loan facility agreement as described above and the property management agreement in respect of the South Campus Property (see Chapter 2.4.8.3 of this Securities Note), there are no material contracts entered into other than in the ordinary course of ESHF 2 Birketinget ApS' business or under which ESHF 2 Birketinget ApS has a material obligation or entitlement.

2.4.9 BC Student Malmö AB

2.4.9.1 History, structure and shareholders

BC Student Malmö AB, which holds the Malmö Property, is fully held by E2H and will be acquired by the Company on the Closing Date as part of the Contributions. See Chapter 2.2.1 of this Securities Note for more information on the Contributions and Chapter 2.3.1 of this Securities Note for the main terms of such transaction.

2.4.9.2 Articles of association, share capital and corporate purpose

The current articles of association of BC Student Malmö AB do not provide for categories of shares or for any restriction to the free transferability of the shares. There are no shareholders' agreements in place at the level of BC Student Malmö AB. There are no provisions in the articles of association that would have an effect of delaying, deferring or preventing a change in control of BC Student Malmö AB.

The share capital of BC Student Malmö AB currently amounts to SEK 50,000, divided into 50,000 shares with a nominal value of SEK 1 each. The share capital of BC Student Malmö AB is fully paid-up.

The purpose of the company is to conduct business in the real estate industry, as well as other activities connected therewith.

2.4.9.3 Business overview and principal activities and markets

BC Student Malmö AB is exclusively a property holding company, whose main activities consist in the ownership, development and letting of the Malmö Property, as well as entry into related service and supply contracts (with no shares or other financial assets not related to Malmö Property).

The development of the Malmö Property is managed by BaseCamp Student Operations ApS pursuant to a project management agreement dated 4 November 2019. Under the terms of the project management agreement, BaseCamp Student Operations ApS is entitled to a base fee of EUR 180,000 (plus VAT) or such other sum as may be agreed and a property management fee equivalent to 2.5% of the final construction price for the development (being all costs relating to the construction and opening of the development as estimated or settled following receipt of planning permission for the development) (EUR 727,000 for the financial year ended 31 December 2021).

See Chapter 2.4.1.3 of this Securities Note for the description of the market positioning of the Malmö Property.

2.4.9.4 Properties

"**Malmö Property**" is a student accommodation asset under development located at Einar Hansens Esplanad 10, Stormastgatan 4, T Malmö, Sweden, and held by BC Student Malmö AB.

The development of the Malmö Property is under construction with an occupancy permit expected in August 2023. Gross floor area is 20,492 square meters and student accommodation is expected to contain 583 rooms. At the date of this Securities Note, the development remains within agreed budget and timeline for delivery. The Malmö Property is located in close proximity of Malmö city centre. The development is part of the last stage of a major development in the West Harbour area in central Malmö and will consist of four separate buildings of 5-10 stories in height. The Malmö University main campus is located approximately 1 kilometer away and the World Maritime University is approximately 1.4 kilometer from the Malmö Property.

2.4.9.5 Operating and financial review

The Malmö Property is not yet operational.

The following table shows the development of book value vs fair value over the holding period.

Cost as at 31 December 2020	FV as at 31 December 2020	Surplus of FV over value at cost 31 December 2020	Cost as at 31 December 2021	FV as at 31 December 2021	FV movement 2021	Surplus of FV over value at cost 31 December 2021	VAR %	Valuation method
18,201,531	15,583,745	(2,617,786)	38,079,267	66,924,870	4,283,761	28,845,604	75.8%	DCF

The significant increase in Fair Value gain is the result of a merger of the subsidiary that held the Malmö Property with its parent company (BC Student Malmö AB) that in turn is held by E2H and the subsequent movement of the acquisition cost of the plot to retained earnings.

2.4.9.6 Capital resources

The Malmö Property has historically financed its liquidity and capital needs using funds generated from borrowings.

BC Student Malmö AB, as borrower, entered into a SEK 645,000,000 loan agreement with SBAB Bank AB (publ), a Swedish bank, as lender, in relation to the financing of student housing in Malmö, Sweden, on the property Malmö Tåten 1. The loan was reorganised and amended by agreements on 15 July 2021 and on 23 September 2021. Mortgage certificates of SEK 645,000,000 in the Malmö Property, as well as all shares in BC Student Malmö AB have been pledged to SBAB Bank AB (publ) under the facilities agreement.

<u>Liabilities</u>

The following table shows a breakdown of the Malmö Property's liabilities (in EUR) at 31 December 2021:

	31 December 2021
Current liabilities	
Due to affiliated and associated parties	-
Accounts payable	2,985,709
Accrued expenses	937,445
of which Shareholder Loan interests	*825,643*
Advance deposits	-
Other current liabilities	196,143
Total current liabilities	***4,119,297***
Non-current liabilities	
Bank loans	26,039,352

Shareholder Loans	12,277,110
Other non-current liabilities	-
Deferred tax liabilities	3,170,169
Total non-current liabilities	***41,486,631***
Total liabilities	***45,605,929***

The increase in liabilities is driven by the ongoing construction of the Malmö Property since 2020.

Cash flows

The cash flow for the financial year ended 31 December 2021 only consists of investment and financial cash flows due to the ongoing construction of the Malmö Property.

The following table summarises the Malmö Property's cash flows (in EUR) for the financial year ended 31 December 2021:

	2021
Net cash provided from op. activities	-
Net cash used for investing activities	-39,769,661
Net cash from financing activities	40,088,030
Cash and cash equivalents at the beginning of the period	-
Effects of foreign exchange rate changes	-3,224
Cash and cash equivalents at the end of the period	**315,146**

The cash flow for the financial year ended 31 December 2021 only consists of investment and financial cash flows due to the ongoing construction of the Malmö Property.

2.4.9.7 Related party transactions

BC Student Malmö AB (as borrower) entered into an interest-bearing loan facility agreement with E2H (as lender) on 1 June 2021, effective from 1 November 2019 (also a Shareholder Loan). Pursuant to the terms of the Shareholder Loan, E2H made available to BC Student Malmö AB an unsecured term loan facility up to EUR 26,200,000. The maturity date of the Shareholder Loan is 31 October 2025.

Other than the Shareholder Loan described above and the project management agreement in respect of the Malmö Property (see Chapter 2.4.9.3 of this Securities Note), BC Student Malmö AB has not entered into any related party transactions at any time during the period from incorporation to the date of this Securities Note.

2.4.9.8 Legal and arbitration proceedings

There are no legal or arbitration proceedings with a dispute value of EUR 500,000 or more, and BC Student Malmö AB is not aware of any legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this Securities Note which may have, or have had in the recent past, a significant effect on the financial position or profitability of BC Student Malmö AB.

2.4.9.9 Material contracts

Other than the loan agreement with SBAB Bank (publ) and the Shareholder Loan as described above and the project management agreement in respect of the Malmö Property (see Chapter 2.4.9.3 of this Securities Note), there are no material contracts entered into other than in the ordinary course of BC Student Malmö AB's business or under which BC Student Malmö AB has a material obligation or entitlement.

2.4.10 <u>ESHF 2 Aarhus Residential ApS and ESHF 2 Aarhus Student ApS</u>

2.4.10.1 History, structure and shareholders

ESHF 2 Aarhus Residential ApS and ESHF 2 Aarhus Student ApS, which hold the Aarhus Properties, are fully held by E2H and will be acquired by the Company on the Closing Date as part of the Contributions. See Chapter 2.2.1 of this Securities Note for more information on the Contributions and Chapter 2.3.1 of this Securities Note for the main terms of such transaction.

2.4.10.2 Articles of association, share capital and corporate purpose

The current articles of association of ESHF 2 Aarhus Residential ApS and ESHF 2 Aarhus Student ApS do not provide for categories of shares or for any restriction to the free transferability of the shares. There are no shareholders' agreements in place at the level of ESHF 2 Aarhus Residential ApS or ESHF 2 Aarhus Student ApS. There are no provisions in the articles of association of ESHF 2 Aarhus Residential ApS or ESHF 2 Aarhus Student ApS that would have an effect of delaying, deferring or preventing a change in control of ESHF 2 Aarhus Residential ApS or ESHF 2 Aarhus Student ApS, respectively.

The share capital of ESHF 2 Aarhus Residential ApS and ESHF 2 Aarhus Student ApS currently amounts to DKK 50,000, divided into 50,000 shares, and DKK 125,000, divided into 125,000 shares, respectively, each share with a nominal value of DKK 1 each. The share capital of ESHF 2 Aarhus Residential ApS and ESHF 2 Aarhus Student ApS is fully paid-up.

The purpose of the companies is to conduct business in the real estate industry, as well as other activities connected therewith.

2.4.10.3 Business overview and principal activities and markets

ESHF 2 Aarhus Student ApS and ESHF 2 Aarhus Residential ApS are exclusively property holding companies, whose main activities consist in the ownership, development and letting of the Aarhus Properties, as well as entry into related service and supply contracts (with no shares or other financial assets not related to the Aarhus Properties).

The development of the Aarhus Properties is managed by BaseCamp Student Operations ApS pursuant to a project management agreement dated 30 July 2021. Under the terms of the project management agreement, BaseCamp Student Operations ApS is entitled to a base fee of EUR 180,000 (plus VAT) or such other sum as may be agreed and a property management fee equivalent to 2.5% of the final construction price for the development (being all costs relating to the construction and opening of the development as estimated or settled following receipt of planning permission for the development) (EUR 799,000 for the financial year ended 31 December 2021).

See Chapter 2.4.1.3 of this Securities Note for the description of the market positioning of the Aarhus Properties.

2.4.10.4 Properties

"**Aarhus Properties**" comprise (i) a student accommodation and commercial space asset under development with title no. 117xm, Århus Markjorder, located at Helsingforsgade 6K, 8200 Aarhus N, Denmark, and held by ESHF 2 Aarhus Student ApS, and (ii) 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, and held by ESHF 2 Aarhus Residential ApS.

The development of the Aarhus Properties is under construction with an occupancy permit expected in August 2023. Gross floor area is 20,105 square meters and is expected to contain 663 rooms. There will be an element of commercial space and, at present, none is pre-let, as it is too early to market the space. At the date of this Securities Note, the development remains within agreed budget and timeline for delivery. The development is close to the main Aarhus

University campus and various other Aarhus University campus buildings. Aarhus University and FEAS (a research institution associated with Aarhus University) are developing an adjacent building to house the Danish School of Media and Journalism, which has annual student admissions of approximately 4,000.

2.4.10.5 Operating and financial review

The Aarhus Properties are not yet operational.

The following table shows the development of book value vs fair value over the holding period.

Cost as at 31 December 2020	**FV as at 31 December 2020**	**Surplus of FV over value at cost 31 December 2020**	**Cost as at 31 December 2021**	**FV as at 31 December 2021**	**FV movement 2021**	**Surplus of FV over value at cost 31 December 2021**	**VAR %**	**Valuation method**
33,635,501	24,391,817	(9,243,684)	46,727,893	50,689,850	11,627,192	3,961,957	8.5%	Residual

The Fair Value of the Aarhus Properties increases over time as construction progresses.

2.4.10.6 Capital resources

The Aarhus Properties have historically financed their liquidity and capital needs using funds generated from borrowings.

On 10 February 2021, ESHF 2 Aarhus Student ApS entered into a 533,466,000 DKK credit agreement with Danske Bank to finance the construction of the Aarhus Properties. The loan is bearing interest rate of 3M CIBOR+ 2%. The maturity date is 1 March 2023.

Liabilities

The following table shows a breakdown of the Aarhus Properties' liabilities (in EUR) (separately for both ESHF 2 Aarhus Student ApS and ESHF 2 Aarhus Residential ApS) at 31 December 2021:

Aarhus Student	**31 December 2021**
Current liabilities	
Due to affiliated and associated parties	-
Accounts payable	192,704
Accrued expenses	1,049,872
of which Shareholder Loan interests	*463,126*
Advance deposits	-
Other current liabilities	-
Total current liabilities	***1,242,576***
Non-current liabilities	
Bank loans	1,046,749
Shareholder Loans	24,828,940
Other non-current liabilities	-
Deferred tax liabilities	871,631
Total non-current liabilities	***26,747,320***
Total liabilities	***27,989,896***

The increase in liabilities is driven by the ongoing construction of the property held by ESHF 2 Aarhus Student Aps.

Aarhus Residential	**31 December 2021**
Current liabilities	
Due to affiliated and associated parties	2,211,504
Accounts payable	-
Accrued expenses	6,200
of which shareholder loan interests	-
Advance deposits	-
Other current liabilities	-
Total current liabilities	***2,217,704***
Non-current liabilities	
Bank loans	-
Shareholder loans	-
Other non-current liabilities	-
Deferred tax liabilities	-
Total non-current liabilities	***-***
Total liabilities	***2,217,704***

The increase in liabilities is driven by the ongoing construction of the property held by ESHF 2 Aarhus Residential Aps.

Cash flows

The cash flow for the financial year ended 31 December 2021 only consists of investment and financial cash flows due to the ongoing construction of the Aarhus Properties.

The following table summarises the Aarhus Properties' cash flows (in EUR) for the financial year ended 31 December 2021:

	2021
Net cash provided from op. activities	-
Net cash from for investing activities	-27,362,820
Net cash from financing activities	25,873,728
Cash and cash equivalents at the beginning of the period	2,462,228
Effects of foreign exchange rate changes	357
Cash and cash equivalents at the end of the period	**973,493**

The cash flow for the financial year ended 31 December 2021 only consists of investment and financial cash flows due to the ongoing construction of the Aarhus Properties.

2.4.10.7 Related party transactions

ESHF 2 Aarhus Student ApS (as borrower) entered into an interest-bearing loan facility agreement with E2H (as lender) on 1 July 2021, effective from 30 December 2020, as amended on 14 December 2021 (also a Shareholder Loan). Pursuant to the terms of the Shareholder Loan, E2H made available to ESHF 2 Aarhus Student ApS an unsecured term loan facility up to EUR 41,000,000. The maturity date of the Shareholder Loan is 31 October 2025.

Other than the Shareholder Loan described above and the project management agreement in respect of the Aarhus Properties (see Chapter 2.4.10.3 of this Securities Note), neither ESHF 2 Aarhus Student ApS nor ESHF 2 Aarhus Residential ApS has entered into any related party transactions at any time during the period from incorporation to the date of this Securities Note.

2.4.10.8 Legal and arbitration proceedings

There are no legal or arbitration proceedings with a dispute value of EUR 500,000 or more, and neither ESHF 2 Aarhus Student ApS nor ESHF 2 Aarhus Residential ApS is aware of any legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this Securities Note which may have, or have had in the recent past, a significant effect on the financial position or profitability of ESHF 2 Aarhus Student ApS or ESHF 2 Aarhus Residential ApS.

2.4.10.9 Material contracts

Other than the credit agreement with Danske Bank and the Shareholder Loan as described above and the project management agreement in respect of the Aarhus Properties (see Chapter 2.4.10.3 of this Securities Note), there are no material contracts entered into other than in the ordinary course of ESHF 2 Aarhus Student ApS or ESHF 2 Aarhus Residential ApS' business or under which ESHF 2 Aarhus Student ApS or ESHF 2 Aarhus Residential ApS has a material obligation or entitlement.

2.4.11 Blue Gate Aachen

2.4.11.1 History, structure and shareholders

Blue Gate Aachen, which holds the Aachen Property, is held by E2H at 54.90% with the remainder being held by Triton Europe Investments One Ltd, a third party shareholder and investor (5.1%), and HARFID Holding GmbH, another third party shareholder and investor (40%). As set out in Chapters 2.2.1 and 2.3.4 of this Securities Note and according to the Share Contribution Agreement, E2H and the Company will work together in good faith towards agreeing terms for the purchase of shares of Blue Gate Aachen after Closing (i.e. the BGA Acquisition).

2.4.11.2 Articles of association, share capital and corporate purpose

The current articles of association of Blue Gate Aachen do not provide for categories of shares. Pursuant to a provision in the articles of association, any transfer of shares in Blue Gate Aachen requires written consent of Blue Gate Aachen, which shall only be granted with the prior consent of all shareholders. Apart from the aforementioned restriction, there are no provisions in the articles of association that could have an effect of delaying, deferring or preventing a change in control of Blue Gate Aachen. There are no shareholders' agreements in place at the level of Blue Gate Aachen which will survive the BGA Closing Date.

The share capital of Blue Gate Aachen currently amounts to EUR 25,000, divided into 25,000 shares with a nominal value of EUR 1 each. The share capital of Blue Gate Aachen is fully paid-up.

The purpose of the company is to conduct business in the real estate industry, as well as other activities connected therewith.

2.4.11.3 Business overview and principal activities and markets

Blue Gate Aachen is exclusively a property holding company, whose main activities consist in the ownership, development and letting of the Aachen Property, as well as entry into related service and supply contracts (with no shares or other financial assets not related to Aachen Property).

The development of the Aachen Property is managed by BaseCamp Student GmbH pursuant to a project management agreement dated 1 May 2019. Under the terms of the project management agreement, BaseCamp Student GmbH is entitled to a base fee of EUR 180,000 (plus VAT) or such other sum as may be agreed and a property management fee equating to 2.5% of the final construction price for the development (being all costs relating to the construction and opening of the development as estimated or settled following receipt of planning permission for the development) (EUR 598,500 for the financial year ended 31 December 2021).

See Chapter 2.4.1.3 of this Securities Note for the description of the market positioning of the Aachen Property.

2.4.11.4 Properties

"**Aachen Property**" is a student accommodation, office space, gastronomy and retail space asset under development located at Zollamtstrasse 5, 52064, Aachen, Germany, and held by Blue Gate Aachen. It is expected to open in September 2023 and will then offer a total of 300 student rooms and 160 serviced appartments.

The mixed-use development of Aachen Property, comprising student accommodation, office space, underground car parking and retail space is under construction with an occupancy permit expected in June 2023. Gross floor area is 36,261 square metres and is expected to contain 300 student rooms and 160 serviced appartments, 5,986 square meters of office space already under lease, 5,125 square meters of gastronomy and retail space yet to be leased. As at the date of this Securities Note, the development remains within agreed budget and timeline for delivery.

The Aachen Property will include a gym, cinema, study rooms, common areas and kitchens, an outdoor terrace, underground parking and laundry. It is located right next to Aachen's main train station and is within a short walking distance / bicycle ride to the city's university campuses.

2.4.11.5 Operating and financial review

The Aachen Property is not yet operational.

The following table shows the development of book value vs fair value over the holding period.

Cost as at 31 December 2020	FV as at 31 December 2020	Surplus of FV over value at cost 31 December 2020	Cost as at 31 December 2021	FV as at 31 December 2021	FV movement 2021	Surplus of FV over value at cost 31 December 2021	VAR %	Valuation method
40,480,162	37,700,000	(2,780,162)	56,531,256	65,700,000	11,948,905	9,168,744	16.2%	Residual

The Fair Value of the Aachen Property increases over time as construction progresses.

2.4.11.6 Capital resources

The Aachen Property has historically financed its liquidity and capital needs using funds generated from borrowings.

In November 2019, Blue Gate Aachen (as borrower) entered into a EUR 68,000,000 loan agreement concluded with DZ Bank. The loan was subsequently amended and the first drawdown started on 29 October 2021.

On 15 October 2020, Empira Fonds SCS SICAV-FIS – Empira Bridge Finance Fund II granted a loan of EUR 17,000,000 to E2H to bridge, among other things, the construction and development costs of the Aachen Property. The loan was directly received by E2H which in turns on-lend it to Blue Gate Aachen. The loan has an interest rate of 15% and runs on a period of 24 months from the drawdown.

Liabilities

The following table shows a breakdown of the Aachen Property's liabilities (in EUR) at 31 December 2021:

Aachen Property	**31 December 2021**
Current liabilities	
Due to affiliated and associated parties	12,043
Accounts payable	95,439
Accrued expenses	3,144,752
of which shareholder loan interests	*1,453,500*
Advance deposits	-
Other current liabilities	-
Total current liabilities	***3,252,235***
Non-current liabilities	
Bank loans	17,000,000
Shareholder loans	64,455,007
Other non-current liabilities	7,050,000
Deferred tax liabilities	1,375,312
Total non-current liabilities	***89,880,318***
Total liabilities	***93,132,553***

The increase in liabilities is driven by the ongoing construction of the Aachen Property.

Cash flows

The cash flow for the period under review only consists of investment and financial cash flows due to the ongoing construction of the Aachen Property.

The following table summarises the Aachen Property's cash flows (in EUR) for the financial year ended 31 December 2021:

	2021
Net cash provided from op. activities	-
Net cash from for investing activities	-32,884,477
Net cash from financing activities	35,916,185
Cash and cash equivalents at the beginning of the period	717,144
Effects of foreign exchange rate changes	-
Cash and cash equivalents at the end of the period	**3,748,852**

The cash flow for the period under review only consists of investment and financial cash flows due to the ongoing construction of the Aachen Property.

2.4.11.7 Related party transactions

Blue Gate Aachen (as borrower) entered into interest-bearing loan facility agreements with E2H (as lender) on 21 May 2019 in an amount of EUR 12,381,868.02 and EUR 40,000,000, respectively. On 22 October 2021, those two interest-bearing loan facility agreements with E2H were terminated and Blue Gate Aachen (as borrower) entered into a new facility agreement with E2H (also the BGA Shareholder Loan). Pursuant to the terms of the BGA Shareholder Loan, E2H made available to Blue Gate Aachen an unsecured term loan facility up to EUR 52,381,868.02. The maturity date of the BGA Shareholder Loan is eight years from the effective date of the agreement.

Other than the BGA Shareholder Loan as described above and the project management agreement in respect of the Aachen Property (see Chapter 2.4.11.3 of this Securities Note), Blue Gate Aachen has not entered into any related party transactions at any time during the period from incorporation to the date of the Securities Note.

2.4.11.8 Legal and arbitration proceedings

There are no legal or arbitration proceedings with a dispute value of EUR 500,000 or more, and Blue Gate Aachen is not aware of any legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this Securities Note which may have, or have had in the recent past, a significant effect on the financial position or profitability of Blue Gate Aachen.

2.4.11.9 Material contracts

Other than the loan agreements with DZK and Empira Fonds SCS SICAV-FIS – Empira Bridge Finance Fund II (through E2H) and the BGA Shareholder Loan as described above and the project management agreement in respect of the Aachen Property (see Chapter 2.4.11.3 of this Securities Note), there are no material contracts entered into other than in the ordinary course of Blue Gate Aachen’s business or under which Blue Gate Aachen has a material obligation or entitlement.

2.5. Conduct of the activities of the Target Companies after the Transaction

As of Closing (and the BaseCamp Closing Date or the BaseCamp Postponed Closing Date, and the BGA Closing Date, as the case may be), the Target Companies will become perimeter companies (as defined in Article 1 of the Law on Regulated Real Estate Companies) of the Company. As a result, the Target Companies will become subject to, and be managed in accordance with, the Legislation on Regulated Real Estate Companies.

The Company expects to continue the activities of the Target Companies as presently conducted 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 manager(s) 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 Legislation 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) the BaseCamp Group will continue to provide Project Management Services 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 management agreements and property management agreements and in compliance with the Legislation 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.

The BaseCamp Group will continue to provide Project Management Services to the Target Companies with Properties under development in accordance with the terms of the relevant project management agreements. The BaseCamp Group may continue to provide Property Management Services to the Target Companies with operational Properties 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 Legislation 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 such Contributed Companies.

See Chapter 2.4.1.3 of this Securities Note for information on the revenues of the BaseCamp Group for the financial year ended 31 December 2021 which are generated from the Properties versus the revenues which are not generated from the Properties.

3. GENERAL INFORMATION

3.1. FSMA approval

The Prospectus consists of this Securities Note (including all information incorporated by reference), the Registration Document (including all information incorporated by reference) and the Summary.

The FSMA, as competent authority under the Prospectus Regulation, approved the English version of this Securities Note and the Summary and the Dutch version of the Registration Document in accordance with Article 20 of the Prospectus Regulation on 13 September 2022.

That approval must not be interpreted as an approval of the Company nor as an endorsement of the quality of the New Shares to which the Prospectus relates. Investors should make their own assessment as to the suitability of investing in the Shares.

The FSMA has only approved the English version of this Securities Note and the Summary and the Dutch version of the Registration Document as meeting the Prospectus Regulation's standards of completeness, comprehensibility and consistency.

The Prospectus has therefore been drawn up as a simplified prospectus in accordance with Article 14 and Article 6(3) of the Prospectus Regulation.

This Securities Note, the Registration Document and the Summary may be distributed separately.

This Securities Note, the Registration Document and the Summary are available in English and Dutch. The Summary is also available in French. The Dutch version of this Securities Note is a translation of the English version of this Securities Note and the Company accepts responsibility for this. The Company is responsible for the consistency of the Dutch translation of this Securities Note with the approved English version of this Securities Note, for the consistency of the English translation of the Registration Document with the Dutch version of the Registration Document and for the consistency of the Dutch and French versions of the Summary with the approved English version and will ensure that the translated versions are accurate translations of the original language versions approved by the FSMA. Investors can rely on the Dutch version of this Securities Note and the Summary and the English version of the Registration Document in their contractual relationship with the Company. In case of any inconsistency between: (i) the English version of the Summary and the Dutch or French version; (ii) the English version of this Securities Note and the Dutch version; or (iii) the Dutch version of the Registration Document and the English version, the FSMA-approved English version of this Securities Note and the Summary and the FSMA-approved Dutch version of the Registration Document will take precedence over the other language versions, without prejudice to the Company’s responsibility for the translation of this Securities Note, the Registration Document and the Summary. If there is any discrepancy between this Securities Note, the Registration Document and the Summary, this Securities Note, the Registration Document will take precedence over the Summary and this Securities Note will take precedence over the Registration Document and the Summary.

3.2. Advance warning

The Prospectus has been drawn up for the purpose of the Listing of the New Shares and does not constitute an offer to buy, subscribe to or sell the New Shares in any jurisdiction or to any person. No Shares are being offered or sold pursuant to the Prospectus.

Potential investors are invited to use the information in the Prospectus (including any information included by reference) to form their own opinions on the Company, the Target Companies, the Transaction, the New Shares, the terms of the Listing, the opportunity to invest in the Shares and the accompanying risks.

The content of the Prospectus (including summaries and descriptions of statutory, legal and other provisions included in the Prospectus) is provided for information purposes only and must not be interpreted as investment, tax or legal advice to potential investors. Potential investors are invited to consult their own advisers on the legal, tax, economic, financial and other aspects of investing in the Shares.

Without prejudice to Chapter 4.1 of this Securities Note, in case of any doubt on the content or meaning of information included in the Prospectus, potential investors are invited to contact a competent person or person specialised in giving advice on the acquisition of financial instruments.

The Shares are not recommended by any authorised federal, regional or local authority in terms of financial instruments or by any supervisory authority in Belgium or abroad. Without prejudice to Chapter 4.1 of this Securities Note, the investors themselves are responsible for the analysis and assessment of the advantages and risks involved in investing in the Shares.

3.3. Consolidated information

Unless otherwise stated in the context or specifically mentioned otherwise, every reference to:

(i) the Company's portfolio, assets, figures and activities in the Prospectus must be understood on a consolidated basis and include the data of the Company's subsidiaries;

(ii) the Target Companies' portfolio, assets, figures and activities in the Prospectus must be understood on a consolidated basis and include the data of the Target Companies' subsidiaries;

(iii) the Contributed Companies' portfolio, assets, figures and activities in the Prospectus must be understood on a consolidated basis and include the data of the Contributed Companies' subsidiaries;

(iv) the Danish OpCos' portfolio, assets, figures and activities in the Prospectus must be understood on a consolidated basis and include the data of the Danish OpCos' subsidiaries; and

(v) the BaseCamp's portfolio, assets, figures and activities in the Prospectus must be understood on a consolidated basis and include the data of the BaseCamp's subsidiaries.

On the date of this Securities Note, the Company directly or indirectly holds the following subsidiaries, sub subsidiaries and shareholdings.

The abbreviations used in the last column of the table below are explained here:

QSH: Quares Student Housing NV

XQSH: Xior Quality Student Housing SL

SPS: Student Properties Spain SOCIMI SA

XSHPT: XSHPT Portugal SA

Name	Jurisdiction	% shares	Held by
Stratos KvK NV	Belgium	100%	Xior
Stubis BV	Belgium	100%	Xior
Invest Drève St. Pierre NV	Belgium	50%	Xior

Xior Studio Park Breda NV	Belgium	100%	Xior
Xior Bonnefanten NV	Belgium	100%	Xior
Xior Breda NV	Belgium	100%	Xior
Xior Carré NV	Belgium	100%	Xior
Xior Delft NV	Belgium	100%	Xior
Xior Enschede I NV	Belgium	100%	Xior
Xior LBW NV	Belgium	100%	Xior
Xior Wageningen NV	Belgium	100%	Xior
XL Fund NV	Belgium	90%	Xior
➔ H. Savelkoul & Co NV	Belgium	100%	XL Fund NV
➔ Oaks of Life NV	Belgium	100%	XL Fund NV
➔ XL NL 1 Coöperatie UA	The Netherlands	100%	XL Fund NV
➔ XL NL 2 Coöperatie UA	The Netherlands	100%	XL Fund NV
Stubeant BV	The Netherlands	75%	Xior
➔ Roosevelt NV	Belgium	100%	Stubeant BV
Xior AGBL NV	Belgium	100%	Xior
➔ Xior Octopus NV	Belgium	100%	Xior AGBL NV
➔ Xior Ommegang NV	Belgium	100%	Xior AGBL NV
➔ Xior Ruhl NV	Belgium	100%	Xior AGBL NV
➔ Tri-Bis BV	Belgium	100%	Xior AGBL NV
Quares Student Housing NV	Belgium	100%	Xior
➔ Quares SHF Kothouse BV	Belgium	99%	QSH
➔ Tri-Bis BV	Belgium	100%	QSH
➔ Quares SHF BISC NV	Belgium	99%	QSH
➔ Quares SHF Meridien NV	Belgium	99%	QSH
➔ Quares SHF Ruhl NV	Belgium	99%	QSH
➔ Quares SHF Ommegang NV	Belgium	99%	QSH
➔ Room To Bloom NV	Belgium	100%	QSH
➔ Agro-Inve NV	Belgium	100%	QSH
➔ Revalue BV	Belgium	100%	QSH
➔ Quares SHF Octopus NV	Belgium	100%	QSH
City'zen BV	Belgium	100%	Xior
Xior Brinktoren NV	Belgium	100%	Xior
Xior Brinktoren 2 NV	Belgium	100%	Xior
Xior Brinktoren 3 NV	Belgium	100%	Xior
Xior Tweebaksmarkt NV	Belgium	100%	Xior
Xior OAM NV	Belgium	100%	Xior
Xior Rotsoord BV	Netherlands	100%	Xior
Xior Naritaweg BV	Netherlands	100%	Xior

Stubis NL BV	Netherlands	100%	Xior
→ Amstelveen Laan van Kronenburg 2 BV	Netherlands	100%	Stubis NL BV
Leeuwarden Tesselschadestraat BV	Netherlands	100%	Xior
All-In Annadal BV	Netherlands	100%	Xior
Xior Student Housing NL BV	Netherlands	100%	Xior
Xior Karspeldreef Amsterdam BV	Netherlands	100%	Xior
Xior Groningen BV	Netherlands	100%	Xior
Xior Zernike Coöperatie UA	Netherlands	100%	Xior
Xior Student Housing NL 2 BV	Netherlands	100%	Xior
Stubis NL IV BV	Netherlands	100%	Xior
Borgondo Facilities BV	Netherlands	100%	Xior
Minerva Student Housing SL	Spain	100%	Xior
Xior Quality Student Housing SL	Spain	100%	Xior
→ I Love Barcelona Campus Bèsos SA	Spain	100%	XQSH
→ Mosquera Directorship SL	Spain	80%	XQSH
→ Terra Directorship SL	Spain	100%	XQSH
→ Managua Directorship SLU	Spain	100%	XQSH
→ Minerva Student Housing SL	Spain	100%	XQSH
HUBR Student Housing SL	Spain	25%+1	Xior
Student Properties Spain SOCIMI SA	Spain	99.99%	Xior
→ HUBR Malaga SOCIMI SA	Spain	100%	SPS
→ HUBR Sevilla SOCIMI SA	Spain	100%	SPS
Xior Student Housing SLU	Spain	100%	Xior
XSHPT Portugal SA	Portugal	100%	Xior
→ Promgranjo SA	Portugal	50%	XSHPT
→ Uhub Investments Benfica SL	Portugal	100%	XSHPT
→ Uhub Investments Sao Joao SL	Portugal	100%	XSHPT
→ Uhub Operations Lda			
→ Uhub Lumiar SA	Portugal	85%	XSHPT
→ Unidorm SA	Portugal	25%+1	XSHPT
	Portugal	50%	XSHPT

A structure chart of the Company and its subsidiaries is set out in Annex III of this Securities Note.

Information on the Target Companies and their subsidiaries is set out in Chapter 2.2 of this Securities Note and in the structure chart set out in Annex I of this Securities Note.

3.4. Restrictions on the distribution of the Prospectus

The Listing consists of the listing and admission of New Shares to trading on the Euronext Brussels regulated market in Belgium. The Prospectus can be distributed in Belgium, where it has been filed with and approved by the FSMA in accordance with the Prospectus Regulation.

The distribution of the Prospectus outside of Belgium may be restricted by law in certain jurisdictions. In particular, the Prospectus must not be distributed, forwarded to or transferred to Switzerland, the United States, Japan, Canada, Australia or South Africa subject to certain exceptions. Persons in possession of the Prospectus must gain information about the existence of such restrictions and comply with them. Failure to comply with such restrictions may constitute a violation of the securities legislation or regulations of such jurisdictions. The Company may not be held liable for any violation of such statutory or regulatory restrictions.

The Prospectus may not be submitted for approval to any supervisory authority outside Belgium and may be distributed outside Belgium only in accordance with the applicable laws and regulations. The Prospectus is in no way an offer to buy, subscribe to or sell the New Shares, or request for the listing and admission to trading of the New Shares, in any country other than Belgium. The Prospectus must never be used for this purpose or in that context.

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

Persons (including without any limitation agents, custodians, appointees and trustees) who receive the Prospectus must not distribute or send it to such countries or persons unless the applicable local legislation and regulations are observed and such distribution does not impose any additional obligations on the Company.

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

The persons who acquire the New Shares outside Belgium are responsible for ensuring that the acquisition or exercise of their rights does not violate local legislation and regulations. The Company has not taken any action to allow the acquisition of the New Shares outside Belgium and will not take any action in this respect in the future. The Company may not be held liable for any violation of such statutory or regulatory restrictions.

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

4.1. Party responsible for the Prospectus

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

Without prejudice to the above, all information relating to the Target Companies and their subsidiaries contained in this Securities Note has been provided by representatives of BaseCamp.

4.2. Statement by the party responsible for the Prospectus

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

The Prospectus is intended to provide information in the context of the Listing of the New Shares. It contains selected and summarised information, does not express any commitment, does not include any recognition or rejection and does not specifically or implicitly provide any rights to persons who are not potential investors. The Prospectus will be used solely in connection with the Listing of the New Shares.

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

4.3. Target Companies' information

The information set out in (i) Chapter 1.2 of this Securities Note, (ii) Chapter 2.4 of this Securities Note, and (iii) the Audited Special Purpose Combined Financial Information of BaseCamp Combined, the Audited Special Purpose Financial Information (trial balances) of the PropCo Entities and Blue Gate Aachen and the Audited Statutory Financial Statements of the PropCo Entities have been sourced from (representatives of) BaseCamp and have been properly incorporated. As far as the Company is aware and has been able to ascertain from the information made available to it by (representatives of) BaseCamp, no facts have been omitted that would make the information shown incorrect or misleading. The Company and its advisers have not independently verified this information.

4.4. No statements

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

4.5. Supplement to the Prospectus

The information included in the Registration Document should only be considered as correct on the date stated on the first page of the Registration Document or on the date of any supplement to the Prospectus published in accordance with the Prospectus Regulation. Since the date of the Registration Document, there has been no new factor, material error or material inaccuracy relating to the information included in the Registration Document and possibly affecting the assessment of the New Shares.

The information included in this Securities Note (and in the Summary) should only be considered as correct on the date stated on the first page of this Securities Note (and the Summary) or on the date of any supplement to the Prospectus published in accordance with the Prospectus Regulation.

If any significant new factor, material error or material inaccuracy relating to the information included in the Prospectus and possibly affecting the assessment of the New Shares happens or is observed between the date of this Securities Note's approval and the start of trading of the New Shares on the Euronext Brussels regulated market, this must be mentioned in a supplement to the Prospectus in accordance with Article 23 of the Prospectus Regulation. This supplement will be submitted for FSMA approval and will be published in the same way as the Prospectus (see Chapter 4.9.1 of this Securities Note).

4.6. Forward-looking statements

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

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

By their very nature, forward-looking statements are associated with inherent general and specific risks and uncertainties, and there is always a chance that forward-looking statements, forecasts, estimates and other projections for the future will not materialise. These risks, uncertainties and other factors include those mentioned in Chapter 1 of this Securities Note and those mentioned elsewhere in the Prospectus. Investors should be aware that a number of important factors may cause the Company's actual results to differ significantly from the plans, objectives, expectations, estimates and intentions in such forward-looking statements.

Such statements, prospects and estimates are based on multiple assumptions and assessments of known or unknown risks, uncertainties and other factors that seem reasonable and acceptable at the time of the review, but which may or may not prove accurate. Actual events are difficult to predict and may depend on factors beyond the Company's control. This uncertainty is strengthened further in the current general economic and political context, more specifically with regard to the financial markets, the Russo-Ukrainian war and the COVID-19 pandemic, which makes it more difficult to predict interest rate changes, tenants' financial health and the impact on property valuation.

Consequently, the Company's results, financial position, performance or achievements or the results of the industry may actually differ significantly from the future results, performance or achievements described or suggested in these forward-looking statements, forecasts or estimates. The factors possibly causing such differences include those described in Chapter 1 of this Securities Note and elsewhere in the Prospectus. Existing Shareholders and potential investors should not have too much confidence in such statements, forecasts and estimates. The statements, forecasts and estimates are also only valid on the date of this Securities Note and the Company is not bound to update these statements, prospects or estimates to take account of any changes in its expectations or changed events, conditions or circumstances on which such statements, forecasts or estimates are based, unless it is required to do so under Article 23 of the Prospectus Regulation, in which case the Company will publish a supplement to the Prospectus.

4.7. Information from market analysts and other independent sources

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

The information provided by third parties has been properly incorporated and, as far as the Company is aware and has been able to ascertain from the information published by the relevant third party, no facts have been omitted that would make the information shown incorrect or misleading. The Company and its advisers have not independently verified this information. The market information is also subject to change and is not systematically verifiable with certainty due to the limited availability and reliability of the data underlying the information, the voluntary nature of data collection contributions and other restrictions and uncertainties inherent to any statistical market information survey.

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

4.8. Rounding of financial and statistical information

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

4.9. Availability of the Prospectus and Company documents

4.9.1 Availability of the Prospectus

Together, this Securities Note (including all information incorporated by reference), the Registration Document (including all information incorporated by reference) and the Summary make up the Prospectus. The Securities Note, Registration Document and Summary are available in English and Dutch. The Summary is also available in French. The Prospectus will be made available to investors free of charge from 14 September 2022 at the Company's registered office at Frankrijklei 64-68, 2000 Antwerp, Belgium. From 14 September 2022, the Prospectus can also be consulted on the Company website (https://corporate.xior.be/en/investors/capital-increases/capital-increase-2022). Access to the above website is always subject to the usual restrictions.

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

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

4.9.2 Availability of the Company documents

The Company must file its Articles of Association, any amendments to the Articles of Association and other documents to be published in the Annexes to the Belgian Official Journal for public consultation with the registry of the Commercial Court of Antwerp. A copy of the latest version of the Coordinated Articles of Association can also be consulted in the online database of the Royal Federation of Belgian Notaries (http://statuten.notaris.be). A copy of the latest version of the Coordinated Articles of Association and the Corporate Governance Charter (including the version as adjusted for the Transaction and conditional on Closing) can also be consulted on the Company website.

In accordance with Belgian legislation, the Company must draw up statutory and consolidated annual financial statements. The statutory and consolidated annual financial statements, the annual report of the Board of Directors and the Statutory Auditor's report are filed with the National Bank of Belgium, where they can be consulted by the public. As a listed company, the Company is also obliged to publish its half-yearly condensed financial statements and its audited annual financial statements, the Statutory Auditor's report and the annual report of the Board of Directors. Copies of these are available on the Company website. The Company must disclose information that may affect the price and information about its shareholder structure and certain other information to the public. In accordance with the Royal Decree of 14 November 2007, this information and further documentation is made available in press releases, the Belgian financial press, the Company website, the communication channels of the Euronext Brussels regulated market or a combination of these media. The Company's web address is www.xior.be. Copies of these documents are also made available on STORI, the Belgian official mechanism for the storage of regulated information, which is managed by the FSMA. STORI can be accessed from stori.fsma.be or www.fsma.be.

4.10. Accountability for inspection of the accounts

PwC Bedrijfsrevisoren / Reviseurs d'Entreprises, a private company incorporated under Belgian law with its registered office at Culliganlaan 5, 1831 Diegem, Belgium, with company number 0429.501.944 (Brussels Register of Legal Entities, Dutch-language), registered with the Institute of Statutory Auditors and represented by Jeroen Bockaert, auditor, was reappointed as statutory auditor of the Company (the "**Statutory Auditor**") at the extraordinary general meeting of the Company of 24 June 2021 until the ordinary general meeting's decision on the annual financial statements for the financial year ended on 31 December 2023.

The audit of the Company's separate and consolidated annual financial statements for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 was carried out by the Statutory Auditor in accordance with the legal provisions (prepared in accordance with the international financial reporting standards adopted by the European Union) and the current inspection standards in Belgium, as issued by the Institute of Statutory Auditors. The Statutory Auditor has issued an unqualified opinion on the annual financial statements for the last three financial years.

The separate and audited consolidated financial statements as of and for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 and the Statutory Auditor's reports on these can be consulted on the Company website. The separate and audited consolidated annual accounts as of and for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 can also be consulted on the website of the National Bank of Belgium's balance sheet office.

The audited consolidated financial statements as of and for the financial year ended 31 December 2021 and the Statutory Auditor's report of 15 April 2022 on the audited consolidated financial statements as of and for the financial year ended 31 December 2021 are included in Chapter 10 of the Registration Document.

4.11. Documents included by reference

In addition to the Annexes at the end of this Securities Note, which are an integral part of the Prospectus, the Prospectus should be read and interpreted in conjunction with:

(i) the Company's full half-yearly financial report for the six-month period ended 30 June 2022 (including the Company's condensed consolidated interim financial information for the first half of the financial year ended 31 December 2022 and the Statutory Auditor's report on this (limited review)) published on 5 August 2022 – https://corporate.xior.be/en/investors/reports-and-presentations;

(ii) The following press releases:

- 23 June 2022: Xior receives landmark tax equivalence ruling, paving the road for SOCIMI status in Spain – https://corporate.xior.be/en/press-news/press-releases; and
- 20 May 2022: Publication of Minutes of the General Meeting of 19 May 2022 – https://corporate.xior.be/en/press-news/press-releases.

(iii) the Corporate Governance Charter (including the version as adjusted for the Transaction and conditional on Closing) – www.xior.be/nl/investor/corporate-governance/code;

(iv) the LTIP (part of the revised remuneration policy of the Company contained in the Corporate Governance Charter as adjusted for the Transaction and conditional on Closing) – www.xior.be/nl/investor/investor-relations/general-meeting/; and

(v) the Company's Coordinated Articles of Association of 7 June 2022 (Dutch version) – https://www.xior.be/en/investor/corporate-governance/by-laws.

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

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

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

5. ESSENTIAL INFORMATION

5.1. Interests of natural persons and legal entities involved in the issue of New Shares

Save for the fees payable to its advisers in the context of the issue of the New Shares, so far as the Company is aware, no person involved in the issue of the New Shares has an interest that is material to the issue.

The Company and the Company's reference shareholder, Aloxe NV, have each undertaken to recommend the approval and vote in favour of the Contributions. See Chapter 2.3.1.1 of this Securities Note for more information on Aloxe NV's undertaking to support the Contributions.

5.2. Reasons for the issue of New Shares

The New Shares will be issued in remuneration of the Contributions. See Chapter 2.1.2 of this Securities Note for the business rationale of the Transaction for the Company.

5.3. Working capital

On the date of this Securities Note, the Company is of the opinion that it has sufficient means to meet its current commitments and to cover its working capital requirements for a twelve-month period from the date of this Securities Note, which is up to and including 12 September 2023. When considering whether the Company has sufficient working capital, the available cash and the other available liquid resources (i.e. mainly the available credit lines that have not yet been used) have been taken into account.

5.4. Capitalisation and indebtedness

5.4.1 Capitalisation

As at 30 June 2022, the Company's capitalisation was KEUR 2,173,639, as detailed in the table below:

In KEUR	**30/06/2022**
Total current debt (including current portion of non-current debt)	156,160
Guaranteed	0
Secured	1,286
Unguaranteed / unsecured	154,874
Total non-current debt (excluding current portion of non-current debt)	1,057,394
Guaranteed	0
Secured	33,031
Unguaranteed / unsecured	1,024,363

Shareholder equity	960,085
Share capital	498,791
Issue premiums	514,833
Legal reserves	0
Other reserves	-53,539
Total	2,173,639

The above table includes KEUR 5,081 in financial lease obligations in the unsecured debt, of which KEUR 0 is current and KEUR 5,081 is non-current.

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

The share capital in the table above is the share capital of the Company as at 30 June 2022 (KEUR 504,204), *less* the costs of capital increases (KEUR 5,413) which are deducted from it.

5.4.2 Indebtedness

As at 30 June 2022, the Company's indebtedness was KEUR 1,150,422, as detailed in the table below:

	In KEUR	**30/06/2022**
A	Cash	11,224
B	Cash equivalents	0
C	Other current financial assets	0
D	**Liquid assets (A+B+C)**	11,224
E	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	102,682
F	Current portion of non-current financial debt	1,570
G	**Current financial indebtedness (E+F)**	104,252
H	**Net current financial indebtedness (G-D)**	93,028
I	Non-current financial debt (excluding current portion and debt instruments)	691,113
J	Debt instruments	258,689
K	Non-current trade and other payables	107,592
L	**Non-current financial indebtedness (I+J+K)**	1,057,394
M	**Total financial indebtedness (H+L)**	1,150,422

Debt instruments include long-term financial debt – financial leasing (KEUR 5,081) and long-term financial debt – other (KEUR 253,608).

Non-current trade and other payables include other non-current liabilities, exit tax liabilities and deferred tax liabilities. This concerns obligations that have a major financing impact if they materialise.

As at 30 June 2022, the total consolidated debt was KEUR 1,219,965. The debt included in the consolidated debt ratio (which was 47.95% on 30 June 2022 and 49.10% on 31 March 2022) as defined by the Royal Decree on Regulated Real Estate Companies does not include KEUR 78,553 in "deferred tax liabilities" and KEUR 6,410 in "accruals and deferred payments". The total assets as included in the consolidated debt ratio calculation does not include KEUR 35,546 in "permitted hedging instruments".

Since 1 July 2022, the Company has concluded additional material financing agreements (including for purposes of financing the Transaction) with ABN Amro and Bank of China for a total of MEUR 278. The loan with ABN Amro will be drawn down for the payment of the Transaction and is a bridge loan with a maximum term of 18 months. Interest is Euribor +70 bps for the first 7 months, Euribor +100bps for the next 6 months and Euribor +160bps for the last 5 months. The loan with Bank of China has been drawn down on 9 September 2022 and has a duration of 7 years with an interest rate of Euribor +125bps.

On the date of this Securities Note, the Company has concluded financing agreements up to MEUR 1,745 that it can use in its real estate activities, insofar as the debt ratio as defined in the Royal Decree on Regulated Real Estate Companies remains less than 60% and the Company complies with the other usual commitments in line with the market. MEUR 595 of this is still available on the date of this Securities Note.

The table below provides more detailed information on the debt as at 30 June 2022 (for more detailed information on financial debt, maturities and repayments, please refer to section 10.9.23 of the 2021 consolidated financial statements included in Chapter 10 of the Registration Document):

Consolidated debt ratio (in KEUR)	**30/06/2022**	**31/12/2021**
Total liabilities	1,219,965	1,072,593
Adjustments	-84,963	-84,677
Permitted hedging instruments	0	-13,023
Deferred taxes – liabilities	-78,553	-62,909
Accruals and deferred payments	-6,410	-8,744
Total debt according to the Royal Decree on Regulated Real Estate Companies (in KEUR)	1,135,002	987,916
Total assets	2,402,409	2,076,446
Adjustments	-35,546	0
Total assets according to the Royal Decree on Regulated Real Estate Companies (in KEUR)	2,366,863	2,076,446
Debt ratio (in %)	47.95%	47.58%

5.5. <u>Unaudited ***Pro forma*** Financial Information</u>

The unaudited pro forma financial information of the Company, 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, has been prepared on the basis of the notes set out below to illustrate the effects of the Transaction as if it had taken place on 1 January 2021 with respect to the unaudited pro forma consolidated statement of comprehensive result and on 31 December 2021 with respect to the unaudited pro forma consolidated statement of financial position.

The unaudited pro forma financial information reflects the adjustments to give effect to the Transaction and related financing, as well as alignment to IFRS, the financial presentation and accounting policies applied by the Company, and is prepared in accordance with the basis of preparation as described in the notes set out below. The report of the Statutory Auditor on the unaudited pro forma financial information as required by the Prospectus Regulation is set out on the following pages of this Securities Note.

The unaudited pro forma financial information is for illustrative purposes only and should not be considered indicative of actual results that would have been achieved had the Transaction been completed on the relevant dates indicated. The unaudited pro forma adjustments are based on available information and certain assumptions that the management of the Company believes are reasonable and give effect to events that are directly attributable to the acquisition and related transactions and which are factually supportable. By its nature, the unaudited pro forma financial information addresses a hypothetical situation and does not, therefore, represent the Company actual or future financial position or results of operations. The actual results and any future results may differ significantly from those reflected in the unaudited pro forma financial information for a number of reasons, including, but not limited to, differences in assumptions used to prepare the unaudited pro forma financial information.

The unaudited pro forma financial information has been prepared for inclusion in this Securities Note to comply with the Prospectus Regulation and the Delegated Regulation 2019/980 and for no other purposes. The unaudited pro forma financial information has been prepared in accordance with the principles described in the Delegated Regulation 2019/980 and the related ESMA guidance. The unaudited pro forma financial information presented in this Securities Note has not been prepared in accordance with the requirements of Regulation S-X issued by the U.S. Securities and Exchange Commission or practices generally accepted in the United States.

Neither the assumptions underlying the preparation of the unaudited pro forma financial information nor the resulting unaudited pro forma financial information have been audited or reviewed in accordance with any generally accepted auditing standards; however, the unaudited pro forma financial information has been reported on in accordance with ISAE 3420 (Assurance Engagements to Report on the compilation of Pro forma Financial Information included in a Prospectus) by the Statutory Auditor, as indicated in its report included herein.

Readers should note that the adjustments made to adjust local GAAPs to IFRS are based upon the limited information available to date, are preliminary and are subject to change once more detailed information is obtained. However, some material differences may exist between local GAAPs and IFRS that have not been disclosed because the effect would have been reversed through pro forma adjustments and would not have an effect on the final figures.

Rounding adjustments to the nearest one decimal place have been made, therefore, figures shown as total may not be the exact arithmetic aggregation of the figures that preceded them. Investors should read the Prospectus as whole and not rely solely on the financial information contained in this Chapter.

Xior Student Housing NV
Frankrijklei 64-68
2000 Antwerp

Independent practitioner’s assurance report on the compilation of *pro forma* financial information included in a prospectus

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In accordance with the terms of our engagement letter dated 10 May 2022 (the “Agreement”) and Annex 20 of Commission Delegated Regulation (EU) 2019/980, relating to information contained in prospectuses (the “Regulation”), we have performed the procedures necessary for your provision of the report on the compilation of *pro forma* financial information of Xior Student Housing NV (the “Company”) in relation to the Contributions, the Danish OpCos Acquisition, the BaseCamp Acquisition and the BGA Acquisition (as defined in the securities note of 13 September 2022 issued by the Company (the “Securities Note”)) (the “Transaction"), as if the Transaction had taken place on 1 January 2021 for the income statement for the period ended 31 December 2021 and the Company’s financial position as at 31 December 2021.

Report

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Xior Student Housing (the "Company") and the companies that will be acquired as part of the Transaction (together, the “Group”) by the Company’s Board of Directors. The *pro forma* financial information consists of the *pro forma* consolidated financial position as of 31 December 2021, *pro forma* consolidated statement of comprehensive result for the period ended 31 December 2021 and related notes as set out in Chapter 5.5.2 of the Securities Note. The applicable criteria on the basis of which the Company’s Board of Directors has compiled the *pro forma* financial information are specified in Chapter 5.5.1 of the Securities Note, item 18.4 of Annex 1 and items 1.1 to 2.3 of Annex 20 of the Regulation, and described in the notes to the *pro forma* financial information (the “Applicable Criteria”).

The *pro forma* financial information has been compiled by the Company’s Board of Directors to illustrate the impacts of the Transaction on the Company’s financial position as of 31 December 2021 and its statement of comprehensive result for the period ended 31 December 2021, as if the Transaction had taken place on 1 January 2021. The process has been described in Chapter 5.5.1 of the Securities Note. As part of this process, information about the Company’s financial position and comprehensive result has been extracted by the Board of Directors from the Company’s financial statements for the period ended 31 December 2021, on which an audit report has been published.

Responsibility of the Company's Board of Directors for the pro forma financial information

The Board of Directors is responsible for compiling the *pro forma* financial information on the basis of the Applicable Criteria and the Regulation.

Our Independence and Quality Control

We have complied with the legal requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organising the audit profession and its public oversight of registered auditors and with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to express an opinion, as required by item 18.4 of Annex 1 of the Regulation, about whether the *pro forma* financial information has been compiled, in all material respects, by the Board of Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in* a *Prospectus,* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Company's Board of Directors has compiled, in all material respects, the *pro forma* financial information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information included in the Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions as at and for the period ended 31 December 2021 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Board of Directors in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those Applicable Criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the judgment of the auditor, having regard to the understanding of the nature of the Company, the events or transactions in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

This report has been prepared and added to the Prospectus in accordance with Annex 20 of the Regulation. Therefore the report needs to be read in combination with the Securities Note.

Opinion

In our opinion:

- the *pro forma* financial information has been properly compiled on the basis stated by the Board of Directors; and

- such basis is consistent with the accounting policies of the Company.

Diegem, 9 September 2022

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL

Jeroen Bockaert
Réviseur d’Entreprises / Bedrijfsrevisor

5.5.1 Description of the Unaudited *Pro forma* Financial Information

5.5.1.1 Introduction

The Company will issue New Shares in the context of the Capital Increase by way of contribution in kind of:

(i) all the shares of the Contributed Companies; and

(ii) the receivables of the Shareholder Loans (in principal and interests outstanding upon contribution).

The Company will also pay the Danish OpCos Consideration for the shares held by BaseCamp and CDJD in the Danish OpCos and the Danish OpCo Shareholder Loan in cash.

The Company will issue further new Shares in the context of (i) the contribution in kind of all the shares of BaseCamp (or, in the event the exercise of the BaseCamp Call Option or the BaseCamp Put Option is postponed in accordance with the Option Agreement, the receivable of the Estimated Exercise Price) (such new Shares, the Exercise Price Shares), (ii) the remuneration of the Earn-Out Amount (such new Shares, the Earn-Out Shares), and (iii) the contribution in kind of shares of Blue Gate Aachen (if it is agreed to remunerate the BGA Consideration by way of issuance of new Shares, which has been assumed for purposes of *pro forma* financial information; if not, the BGA Consideration will be paid in cash). The Earn-Out Amount and the Earn-Out Shares are not considered in the *pro forma* financial information in this Securities Note as they relate to payments that will be made upon future acquisitions of new investement properties, as described in Chapter 2.3.3.2 of this Securities Note (see also Note 5.3 in Chapter 5.5.2.3 of this Securities Note).

The Contributions, the Danish OpCos Acquisition, the BaseCamp Acquisition and the BGA Acquisition constitute the Transaction as described in Chapters 2.3.1.2, 2.3.2.2, 2.3.3.2 and 2.3.4 of this Securities Note.

The aggregate gross considerations to be remunerated for the Transaction are as follows (reference is also made to Note 5.3 in Chapter 5.5.2.3 of this Securities Note for an overview of these considerations):

(i) the Contributions Consideration for the Contributions;

(ii) the Danish OpCos Consideration for all the shares of the Danish OpCos;

(iii) the Exercise Price and the Earn-Out Amount for all the shares of BaseCamp; and

(iv) the BGA Consideration for 89.9% of the share capital of Blue Gate Aachen.

The fair value of the considerations paid is determined on the relative fair value of the assets received in line with IFRS 2, which states that there is a rebuttable presumption that the fair value of goods and services received can be reliably measured when consideration is given in the form of equity.

The Transaction will be accounted for as an asset acquisition. The Transaction was evaluated under the full framework of IFRS 3. The Properties themselves are considered as inputs and the operations acquired are not considered “substantive” processes in accordance with IFRS 3 par B12. The excess price the Company is willing to pay on top of the fair values of the Properties and whereby the Company is not acquiring other substantial assets or processes/business is considered a portfolio premium giving the Company the possibility to build a portfolio and a strong footprint in regions in which the Company dit not yet had such a strong footprint.

In line with the accounting policy adopted by the Company, the difference of EUR 28,639 thousand between (i) the total fair value of the net assets acquired (after deduction of minority interests, EUR 236,448 thousand) and (ii) the total consideration paid (including portfolio premium) (EUR 253,432 thousand), together with the transaction cost (EUR 11,655 thousand), in the context of this Transaction, is allocated entirely as a cost to “Other portfolio result” on the income statement. The purchase price paid remains subject to closing adjustments (such as closing working capital, closing cash, closing indebtedness and final Transaction-related expenses, etc.).

If the Transaction would have been considered to be a business combination according to IFRS 3, identifiable assets acquired and liabilities and contingent liabilities assumed would have to be, with limited exceptions, measured initially at their fair values at the acquisition date. The excess of (i) the consideration transferred and (ii) the amount of any non-controlling interest in the acquired entities (to the extent applicable), over the fair value of the net identifiable assets acquired would be recorded as goodwill. Subsequently, goodwill would not be amortized but tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and would be carried at cost less accumulated impairment losses.

The unaudited *pro forma* financial information includes the unaudited *pro forma* consolidated statement of comprehensive result for the financial year ended 31 December 2021 (composed of the unaudited *pro forma* consolidated income statement for the financial year ended 31 December 2021 and the unaudited *pro forma* consolidated statement of other comprehensive income for the financial year ended 31 December 2021) and the unaudited *pro forma* consolidated statement of financial position as of 31 December 2021. This unaudited *pro forma* financial information has been presented as if the Transaction occurred as at 1 January 2021 with respect to the unaudited *pro forma* consolidated statement of comprehensive result and as at 31 December 2021 with respect to the unaudited *pro forma* consolidated statement of financial position.

Investment property fair value of the PropCo Entities, after applying all *pro forma* adjustments, in the unaudited *pro forma* financial information is based on agreed valuations as at 30 August 2022 (as reported by CBRE to the Company on 1 September 2022) in the unaudited *pro forma* consolidated statement of comprehensive result for the financial year ended 31 December 2021 and in the unaudited *pro forma* consolidated statement of financial position as of 31 December 2021. The variation in fair value of investment property in the unaudited *pro forma* consolidated statement of comprehensive result is determined by the the change in fair value of investment property during financial year 2021 and therefore based on fair value of investment property per 31 December 2021. The portfolio premium expressed as a cost in other portfolio result in the unaudited *pro forma* consolidated statement of comprehensive result for the financial year ended 31 December 2021 is determined based on fair value of investment property per agreed valuations as at 30 August 2022 (as reported by CBRE to the Company on 1 September 2022).

As a result of the execution of the Transaction on a *pro forma* basis:

- investment property will increase by EUR 758,959 thousand, due to the acquisition of 11 newly built assets, of which eight are already up and running and three are under development. In total 5,341 units will be added to the Company property portfolio. Once the development is completed, it is estimated that the total value will be EUR 944,600 thousand;
- current assets will increase by EUR 57,940 thousand, relating to outstanding trade receivables, tax receivables and other current assets, cash and cash equivalents and accruals and deferrals;
- share capital and share premium will increase in a first phase by EUR 306,565 thousand, as a result of the Contributions. In a second and third phase, share capital and share premium will increase by EUR 36,087 thousand for the BaseCamp Acquisition and with EUR 86,491 thousand for the BGA Acquisition;
- long term financial liabilities will increase by EUR 335,982 thousand, partly from the take-over of existing financial loans of EUR 79,465 thousand and partly by new financing of EUR 256,517 thousand;
- short term liabilities will increase by EUR 51,071 thousand, relating to trade debts and other current liabilities and accruals and deferrals;
- rental income will increase by EUR 12,384 thousand;
- rental charges and taxes normally payable by the tenant on let properties will increase by EUR 1,831 thousand;

- property charges will increase by EUR 3,386 thousand relating to technical costs, commercial costs, property management costs and other property charges (mainly taxes on real estate property);
- general company expenses will increase with EUR 14,253 thousand;
- other operating income will increase by EUR 7,962 thousand. Reference is made to Note 2 under Chapter 5.5.2.3 of this Securities Note for more explanation on this operating income;
- variations in the fair value of investment property increase by EUR 77,805 thousand following the application of the fair value model under IFRS in the statement of comprehensive result for the financial year ended 31 December 2021 on the Properties;
- other portfolio result decreases by EUR 26,336 thousand which is mainly determined by the result on the Transaction of EUR 28,639 thousand;
- financial result is impacted by EUR 7,236 thousand as a result of additional financing cost for the Properties;
- taxes are mainly impacted by the deferred taxes of EUR 14,855 thousand on variations in the fair value of investment property under IFRS; and
- by adding the Properties the net result will be positively impacted by EUR 32,107 thousand. On a *pro forma* basis over the financial year 2021, earnings per Share and EPRA earnings per Share decrease, however in reality the Transaction is expected to be accretive to the forecasted EPRA earnings per Share (see Chapter 9.2.2.3 of this Securities Note for more information). Such expectation is due to the fact that some Properties only became operational during 2021 and, as a consequence, they were not fully operational during the full year 2021, nor did they generate 12 months of rental income. On top of that, all Properties were affected by the outbreak of COVID-19 and the stabilisation of the Properties which opened in 2020 and 2021 was significantly delayed.

In case all the properties are up and running and have a full occupancy, on an annualised basis, gross rental income will increase with c. MEUR 47, resulting in an additional NOI for the group of c. MEUR 35.

5.5.1.2 Basis of preparation

The unaudited *pro forma* financial information is presented in thousands of euros in this Securities Note.

The income statement and balance sheet of ST Łódź Rewolucji 1905 Sp. z o.o., ST Katowice Krasińskiego Sp. z o.o., ST Łódź Rembielińskiego Sp. z o.o. have been converted into euros using the average EUR/PLN exchange rate, being EUR 1.0000:PLN 4.5652 for the financial year ended 31 December 2021 and the EUR/PLN spot rate, being EUR 1.0000:PLN 4.5969 as of 31 December 2021, respectively, as provided in the overview table below . The same EUR/PLN exchange rates have been applied to convert the IFRS adjustments and *pro forma* adjustments expressed in PLN.

The income statement and balance sheet of ST Skovbrynet Student ApS, ESHF 2 Birketinget ApS, ESHF 2 Aarhus Student ApS, ESHF 2 Aarhus Residential ApS and BC Skovbrynet Residential ApS have been converted into euros using the average EUR/DKK exchange rate, being EUR 1.0000:DKK 7.4370 for the financial year ended 31 December 2021 and the EUR/DKK spot rate, being EUR 1.0000:DKK 7.4364 as of 31 December 2021, respectively, as provided in the overview table below. The same EUR/DKK exchange rates have been applied to convert the IFRS adjustments and *pro forma* adjustments expressed in DKK.

The income statement and balance sheet of BC Student Malmö AB have been converted into euros using the average EUR/SEK exchange rate, being EUR 1.0000:SEK 10.1465 for the financial year ended 31 December 2021 and the EUR/SEK spot rate, being EUR 1.0000:SEK 10.2503 as of 31 December 2021, respectively. The same EUR/SEK exchange rates have been applied to convert the IFRS adjustments and *pro forma* adjustments expressed in SEK.

Exchange rates	**Income statement**	**Balance sheet**
EUR/PLN	4.5652	4.5969

EUR/DKK	7.4370	7.4364
EUR/SEK	10.1465	10.2503

The unaudited *pro forma* financial information reflects the application of *pro forma* adjustments that are directly attributable and factually supportable and are based upon available information, and certain assumptions described in the accompanying notes hereto, that the management of the Company believes are reasonable under the given circumstances. Therefore, the unaudited *pro forma* financial information does not reflect any integration expenses that may be incurred in connection with the Transaction and does not reflect any cost savings potentially realisable from the elimination of certain expenses or from synergies that may have been achieved after the respective contemplated transaction dates.

As a RREC, the Company benefits from a special tax regime and is only subject to corporation tax on disallowed expenses and extraordinary and gratuitous advantages. Therefore, based on this specific tax regime for the Company, the unaudited *pro forma* financial information only reflects the tax effects of the IFRS adjustments related to the PropCo Entities and Blue Gate Aachen and the *pro forma* adjustment related to the refinancing of certain loans of BaseCamp Combined, the PropCo Entities and Blue Gate Aachen as described in notes 4 and 5 below.

For the IFRS adjustments related to the PropCo Entities and Blue Gate Aachen and the *pro forma* adjustment related to the refinancing of certain loans of BaseCamp Combined, the PropCo Entities and Blue Gate Aachen, the following statutory tax rates were applied:

- Germany: 15.825%;
- Poland: 19%;
- Denmark: 22%; and
- Sweden: 20.6%.

5.5.1.3 Historical financial information

For the purpose of the unaudited *pro forma* financial information, the table below illustrates which entities are comprised in the different columns of the *pro forma* financial information:

- "**BaseCamp Combined**" relates to operational companies who deliver project and property management services and other services to the PropCo Entities and Blue Gate Aachen, and comprises the Danish OpCos and the BaseCamp Closing OpCos;
- "**PropCo Entities**" relates to property-holding entities which are the owners of accommodation assets (including, as the case may be, retail and commercial spaces), and comprises BC Skovbrynet Residential ApS and the Contributed Companies; and
- Blue Gate Aachen relates to a property-holding entity who is the owner of an accommodation asset (including retail and commercial spaces).

A comparison between *pro forma* definitions and definitions in the rest of this Securities Note is provided in the table below.

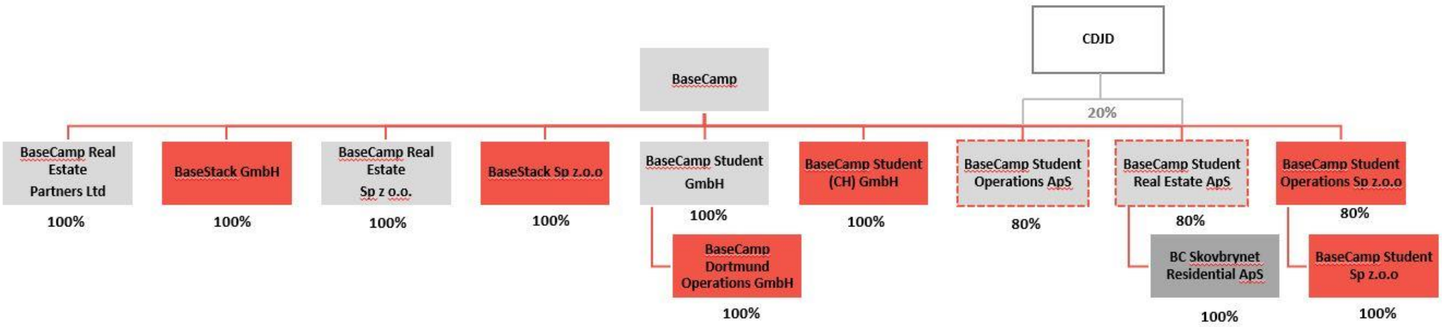
#	Target entity name	Transaction document	Definitions in the rest of this Securities Note	***Pro forma* definition**
1	BaseCamp Student Real Estate ApS	Share Purchase Agreements	Danish OpCos	BaseCamp Combined
2	BaseCamp Student Operations ApS			
3	BC Skovbrynet Residential ApS		BC Skovbrynet Residential ApS	PropCo Entities

4	BaseCamp Group Ltd	Option Agreement	BaseCamp Closing OpCos	BaseCamp Combined
5	BaseCamp Real Estate Partners Ltd			
6	BaseCamp Real Estate Sp. z o.o.			
7	BaseCamp Student GmbH			
8	Studentenwohnheim Prager Strasse GmbH	Share Contribution Agreement	Contributed Companies	PropCo Entities
9	ST Potsdam S.à r.l.			
10	ST Łódź Rewolucji 1905 Sp. z o.o.			
11	ST Katowice Krasinskiego Sp. z o.o.			
12	ST Łódź Rembielinskiego Sp. z o.o.			
13	ST Skovbrynet Student ApS			
14	ESHF 2 Birketinget ApS			
15	BC Student Malmö AB			
16	ESHF 2 Aarhus Student ApS			
17	ESHF 2 Aarhus Residential ApS			
18	Blue Gate Aachen GmbH		Blue Gate Aachen	Blue Gate Aachen

The unaudited *pro forma* financial information has been derived from and should be read in conjunction with the audited consolidated financial statements of the Company as of and for the financial year ended 31 December 2021, prepared in accordance with IFRS as adopted by the European Union and included in Chapter 10 of the Registration Document.

<u>BaseCamp Combined financial information</u>

The following information of BaseCamp Combined, included in the unaudited *pro forma* financial information has been derived from financial information not included, nor incorporated by reference, in this Securities Note, i.e. the audited special purpose combined financial information of BaseCamp Combined as of and for the financial year ended 31 December 2021, derived from its IFRS accounting records (the "**Audited Special Purpose Combined Financial Information of BaseCamp Combined**" – see below for further details on the scope of the audited special purpose combined financial information of BaseCamp Combined).



Within the scope of the BaseCamp Acquisition – part of BaseCamp Combined

Within the scope of the Danish OpCos Acquisition – part of BaseCamp Combined

Outside of the scope of the BaseCamp Acquisition – the subsidiaries of BaseCamp to be liquidated / carved-out

Within the scope of the Danish OpCos Acquisition – part of the PropCo Entities

<u>PropCo Entities and Blue Gate Aachen financial information</u>

The following information of the PropCo Entities and Blue Gate Aachen included in the unaudited *pro forma* financial information has been derived from:

(i) financial information not included, nor incorporated by reference, in this Securites Note as described below:

- the trial balances of Studentenwohnheim Prager Strasse GmbH as of and for the financial year ended 31 December 2021, derived from its German GAAP reporting towards its parent company; for the purpose of the preparation of the consolidated financial statements of STH, the special purpose financial information (‘trial balances’) have been audited by STH’s statutory auditor;

- the trial balances of ST Potsdam S.à r.l. as of and for the financial year ended 31 December 2021, derived from its German GAAP reporting towards its parent company; for the purpose of the preparation of the consolidated financial statements of STH, the special purpose financial information (‘trial balances’) have been audited by STH’s statutory auditor; and

- the trial balances of Blue Gate Aachen as of and for the financial year ended 31 December 31, derived from its German GAAP reporting towards its parent company; for the purpose of the preparation of the consolidated financial statements of E2H, the special purpose financial information (‘trial balances’) have been audited by the E2H’s statutory auditor,

being together the “**Audited Special Purpose Financial Information (trial balances) of the PropCo Entities and Blue Gate Aachen**”, as audited financial financial statements for these Target Companies are not available; and

(ii) audited statutory financial statements not included, nor incorporated by reference, in this Securities Note as described below:

- the audited statutory financial statements of ST Łódź Rewolucji 1905 Sp. z o.o. as of and for the financial year ended 31 December 2021, prepared under Polish GAAP, have been audited by ST Łódź Rewolucji 1905 Sp. z o.o.’s statutory auditor;

- the audited statutory financial statements of ST Katowice Krasińskiego Sp. z o.o. as of and for the financial year ended 31 December 2021, prepared under Polish GAAP, have been audited by ST Katowice Krasińskiego Sp. z o.o.’s statutory auditor;

- the audited statutory financial statements of ST Łódź Rembielińskiego Sp. z o.o. as of and for the financial year ended 31 December 2021, prepared under Polish GAAP, have been audited by ST Łódź Rembielińskiego Sp. z o.o.'s statutory auditor;

- the audited statutory financial statements of ST Skovbrynet Student ApS as of and for the financial year ended 31 December 2021, prepared under Danish GAAP, have been audited by ST Skovbrynet Student ApS' statutory auditor;

- the audited statutory financial statements of ESHF 2 Birketinget ApS as of and for the financial year ended 31 December 2021, prepared under Danish GAAP, have been audited by ESHF 2 Birketinget ApS' statutory auditor;

- the audited statutory financial statements of ESHF 2 Aarhus Student ApS as of and for the financial year ended 31 December 2021, prepared under Danish GAAP, have been audited by ESHF 2 Aarhus Student ApS' statutory auditor;

- the audited statutory financial statements of BC Skovbrynet Residential ApS as of and for the financial year ended 31 December 2021, prepared under Danish GAAP, have been audited by BC Skovbrynet Residential ApS' statutory auditor;

- the audited statutory financial statements of ESHF 2 Aarhus Residential ApS as of and for the financial year ended 31 December 2021, prepared under Danish GAAP, have been audited by ESHF 2 Aarhus Residential ApS' statutory auditor; and

- the audited statutory financial statements of BC Student Malmö AB as of and for the financial year ended 31 December 2021, prepared under Swedish GAAP, have been audited by E2H's statutory auditor,

being together the "**Audited Statutory Financial Statements of the PropCo Entities**".

The detailed audited special purpose combined financial information, audited trial balances and audited statutory financial statements are not included, nor incorporated by reference, in the Securities Note because such information does not fully meet, on a consistent basis, the requirements of Item 18.1.1 of Annex 1 of the Delegated Regulation 2019/980 (including in terms of audit, consolidation and accounting standards) and as a result would not provide additional value to investors compared to the *pro forma* financial information to make an informed assessment within the meaning of Article 6 of the Prospectus Regulation.

5.5.2 Unaudited *Pro forma* Financial Information as of and for the financial year ended 31 December 2021

5.5.2.1 Unaudited Pro forma Consolidated Statement of Comprehensive Result for the financial year ended 31 December 2021

	For the year ended December 31, 2021						
	Xior Student Housing (audited)	**BaseCamp Combined IFRS**	**PropCo Entities local GAAPs**	**Blue Gate Aachen local GAAP**	**Local GAAP to IFRS Adjustments**	**Pro Forma Adjustments**	**Pro Forma Consolidated Statement of Comprehensive Result**
I. CONSOLIDATED INCOME STATEMENT	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)
	Note 1	**Note 2**	**Note 3**	**Note 3**	**Note 4**	**Note 5**	
I. (+) Rental income	79,842	-	12,185	-	199	-	92,226
(+) Rental income	74,416	-	12,185	-	199	-	86,800
(+) Rental guarantees	5,922	-	-	-	-	-	5,922
(-) Rent reductions	-496	-	-	-	-	-	-496
Impairments on trade receivables	*-244*	-	*-1*	-	-	-	*-245*
NET RENTAL INCOME	79,599	-	12,184	-	199	-	91,981
V. (+) Recovery of rental charges and taxes normally payable by the tenant on let properties	13,574	-	73	-	-	-	13,647
- Transmission of rental charges borne by the proprietor	*13,480*	-	*73*	-	-	-	*13,553*
- Calculation of withholding tax and taxes on let properties	*94*	-	-	-	-	-	*94*
VII. (-) Rental charges and taxes normally payable by the tenant on let properties	-17,387	-105	-1,716	-11	-	-	-19,218
- Rental charges borne by the proprietor	*-17,232*	*-105*	*-1,716*	*-11*	-	-	*-19,063*
- Withholding tax and taxes on let properties	*-155*	-	-	-	-	-	*-155*
VIII. (+/-) Other rental-related income and expenditure	1,564	-	-	-	-	-	1,564
PROPERTY RESULT	77,349	-105	10,541	-11	199	-	87,974
IX. (-) Technical costs	-3,701	-8	-1,663	-4	-	-	-5,375
Recurring technical costs	*-3,810*	*-8*	*-1,663*	*-4*	-	-	*-5,484*
(-) Maintenance	-3,140	-7	-1,471	-5	-	-	-4,623
(-) Insurance premiums	-670	-1	-191	1	-	-	-861
Non-recurring technical costs	*109*	-	-	-	-	-	*109*
(-) Claims	109	-	-	-	-	-	109
X.(-) Commercial costs	-628	-133	-568	-8	-	54	-1,283
(-) Publicity, etc.	-490	-133	-568	-8	-	54	-1,145
(-) Lawyers' fees and legal costs	-138	-	-	-	-	-	-138
XI.(-) Costs and taxes for non-let properties	-667	-	-	-	-	-	-667
XII.(-) Property management costs	-4,712	-	-1,475	-	-	1,341	-4,846
(-) Management costs (external)	-40	-	-1,475	-	-	1,341	-174
(-) Management costs (internal)	-4,672	-	-	-	-	-	-4,672
XIII.(-) Other property charges	-2,794	-	-916	-8	-	-	-3,718
(-) Architects' fees	-18	-	-	-	-	-	-18
(-) Valuation expert fees	-345	-	-22	-	-	-	-367
(-) Other property charges	-2,431	-	-893	-8	-	-	-3,333
(+/-) PROPERTY CHARGES	-12,502	-140	-4,621	-20	-	1,395	-15,888
PROPERTY OPERATING RESULT	64,848	-245	5,920	-31	199	1,395	72,085

	Xior Student Housing (audited)	BaseCamp Combined IFRS	PropCo Entities local GAAPs	Blue Gate Aachen local GAAP	Local GAAP to IFRS Adjustments	Pro Forma Adjustments	Pro Forma Consolidated Statement of Comprehensive Result
	For the year ended December 31, 2021						
I. CONSOLIDATED INCOME STATEMENT	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)
	Note 1	Note 2	Note 3	Note 3	Note 4	Note 5	
XIV. (-) General company expenses	-6,627	-11,635	-2,604	-127	128	-15	-20,880
XV. (+/-) Other operating income and costs	10	11,792	-147	-	0	-3,683	7,972
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	58,232	-89	3,169	-158	327	-2,303	59,177
XVI. (+/-) Result on the sale of investment property	-	1	808	-25	-	-	784
XVII. (+/-) Result on the sale of other non-financial assets	-	-	-	-	-	-	-
XVIII.(+/- Variations in the fair value of investment property	63,598	-	46,475	-	31,330	-	141,403
(+) Positive variations in the fair value of investment property	*73,537*	*-*	*51,688*	*-*	*33,046*	*-*	*158,272*
(-) Negative variations in the fair value of investment property	*-9,939*	*-*	*-5,213*	*-*	*-1,716*	*-*	*-16,869*
XIX. (+) Other portfolio result	-30,837	-	-	-	-	-26,336	-57,173
OPERATING RESULT	90,993	-88	50,452	-183	31,657	-28,639	144,191
XX. (+) Financial income	681	527	-	-	-	-570	637
(+) Interest and dividends collected	681	527	-	-	-	-570	637
XXI. (-) Net interest costs	-8,879	-1,716	-11,466	-	-	9,183	-12,877
(-) Nominal interest paid on loans	*-5,251*	*-1,716*	*-11,466*	*-*	*-*	*9,183*	*-9,249*
(-) Reconstitution of the nominal amount of financial debt	*-395*	*-*	*-*	*-*	*-*	*-*	*-395*
(-) Costs of permitted hedging instruments	*-3,233*	*-*	*-*	*-*	*-*	*-*	*-3,233*
XXII. (-) Other financial costs	-1,513	71	-3,849	-10	995	-	-4,307
- Bank costs and other commissions	*-1,214*	*-1*	*-3,617*	*-*	*-*	*-*	*-4,832*
- Other	*-299*	*71*	*-232*	*-10*	*995*	*-*	*525*
XXIII.(+/-) Variations in the fair value of financial assets and liabilities	12,022	-	-	-	-400	-	11,622
(+/-) FINANCIAL RESULT	2,311	-1,119	-15,315	-10	595	8,613	-4,925
XXIV Share in the result of associated companies and joint ventures	301	-	-	-	-	-	301
RESULT BEFORE TAXES	93,603	-1,206	35,137	-193	32,252	-20,026	139,567
XXV. Corporation taxes	-3,724	-	0	-	-	998	-2,726
XXVI. Exit tax	270	-	-	-	-	-	270
XXVII. Deferred taxes	-7,837	434	-11,688	-	-3,602	-	-22,692
(+/-) TAXES	-11,291	434	-11,687	-	-3,602	998	-25,148
NET RESULT	**82,313**	**-772**	**23,450**	**-193**	**28,650**	**-19,028**	**114,419**
EPRA earnings per share (in EUR)[1]	**1.82**						**1.16**
Net result per ordinary share (in EUR)[1]	**3.34[2]**						**3.33**
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT							
In KEUR							
Net result	**82,312**	**-772**	**23,450**	**-193**	**28,650**	**-19,028**	**114,419**
Other components of comprehensive income	-	-	-	-	-	-	-
(+/-) Impact on the fair value of estimated transaction fees and costs resulting from the hypothetical disposal of investment property	-	-	-	-	-	-	-
(+/-) Variations in the effective part of the fair value of permitted cash flow hedging instruments	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
GLOBAL RESULT	**82,312**	**-772**	**23,450**	**-193**	**28,650**	**-19,028**	**114,419**
Attributable to:	-	-	-	-	-	-	-
Minority interests	1,138	-	-	-	-	-19	1,119
Group shareholders	81,175	-772	23,450	-193	28,650	-19,008	113,301

[1] To calculate the Net result per ordinary share (in EUR) and the EPRA earnings per share (in EUR) the Weighted average number of shares was calculated starting from the Weighted average number of shares for 2021 adding the number of shares issued for the Transaction. The number of shares issued for the Transaction is calculated using the Issue Price of 44 EUR as determined in the Share Contribution Agreement. Therefore EPS (EPRA earnings per share) and diluted EPS (EPRA earnings per share) are the same.

[2] There is an erratum in Chapter 10 of the Registration Document. Net result per ordinary share (in EUR) and Diluted net earnings per ordinary share (in EUR) were incorrectly displayed as EUR 2.96. In the key figures in Chapter 3 of the Registration Document and in the press release announcing the annual results 2021 published on 16 February 2022, Net result per share (IFRS) was correctly displayed as EUR 3.34.

5.5.2.2 *Unaudited Pro forma Consolidated Statement of Financial Position as of 31 December 2021*

	As of December 31, 2021						
	Xior Student Housing (audited)	**BaseCamp Combined IFRS**	**PropCo Entities local GAAPs**	**Blue Gate Aachen local GAAP**	**Local GAAP to IFRS Adjustments**	**Pro Forma Adjustments**	**Pro Forma Consolidated Statement of Financial Position**
I. CONSOLIDATED BALANCE SHEET	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)
	Note 1	**Note 2**	**Note 3**	**Note 3**	**Note 4**	**Note 5**	
I. FIXED ASSETS	1,987,008	1,265	544,701	73,623	33,883	106,131	2,746,610
A. Goodwill	-	-	-	-	-	-	-
B. Intangible assets	297	33	26	-	6	-	361
C. Investment property	1,967,056	699	543,539	73,623	34,748	106,350	2,726,015
a. Property available to let	*1,817,597*	*699*	*440,487*	-	*28,107*	*27,110*	*2,314,001*
b. Property developments	*149,459*	-	*103,051*	73,623	*6,641*	*79,241*	*412,014*
D. Other tangible fixed assets	1,034	242	-	-	-	-	1,276
a. Tangible fixed assets for own use	*1,034*	*242*	-	-	-	-	*1,276*
E. Financial fixed assets	686	220	-	-	-	-220	686
Assets held until maturity	-	-	-	-	-	-	-
Other	*686*	*220*	-	-	-	*-220*	*686*
G. Trade receivables and other fixed assets	135	71	1,136	-	(870)	-	472
H. Deferred taxes – assets	491	-	-	-	-	-	491
I. Shareholdings in associated companies and joint ventures, equity movements	17,309	-	-	-	-	-	17,309
II. CURRENT ASSETS	89,438	9,862	36,268	16,557	0	-4,747	147,378
D. Trade receivables	2,693	5,615	1,515	17	-	-4,978	4,863
E. Tax receivables and other current assets	65,309	1,339	7,547	12,785	-	231	87,210
a. Taxes	*2,589*	-	-	-	-	-	*2,589*
c. Other	*62,720*	*1,339*	*7,547*	12,785	-	*231*	*84,621*
F. Cash and cash equivalents	10,849	2,515	25,534	3,749	0	-	42,647
G. Accruals and deferrals	10,587	393	1,672	7	0	-	12,659
Prepaid property charges	*3,948*	*365*	*1,672*	7	-	-	*5,991*
Accrued rental income not due	*1,481*	-	-	-	-	-	*1,481*
Other	*5,158*	*28*	*0*	-	*0*	-	*5,186*
TOTAL ASSETS	**2,076,446**	**11,127**	**580,968**	**90,180**	**33,883**	**101,384**	**2,893,988**

	As of December 31, 2021						
	Xior Student Housing (audited)	**BaseCamp Combined IFRS**	**PropCo Entities local GAAPs**	**Blue Gate Aachen local GAAP**	**Local GAAP to IFRS Adjustments**	**Pro Forma Adjustments**	**Pro Forma Consolidated Statement of Financial Position**
I. CONSOLIDATED BALANCE SHEET	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)
	Note 1	Note 2	Note 3	Note 3	Note 4	Note 5	
EQUITY	1,003,851	-6,657	94,338	-1,577	25,393	298,725	1,414,072
I. Equity attributable to parent company shareholders	984,435	-6,924	94,338	-1,577	25,393	289,274	1,384,939
A. Capital	494,772	5	1,566	25	-	173,963	670,331
a. Issued capital	*500,063*	*5*	*1,566*	25	-	*173,963*	*675,622*
b. Capital increase costs (-)	*-5,291*	-	-	-	-	-	*-5,291*
B. Issue premiums	508,008	-	43,339	-	-	210,246	761,593
C. Reserves	-99,519	-6,156	25,983	-1,409	-3,256	-15,161	-99,519
Reserve for the balance of variations in the fair value of property	*-2,018*	-	-	-	*6,033*	*-6,297*	*-2,281*
Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment properties	*-34,439*	-	-	-	-	-	*-34,439*
Reserve for the balance of the variations in the fair value of permitted hedging instruments not subject to hedging accounting as defined in the IFRS	*-24,509*	-	-	-	-	-	*-24,509*
Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method	*-3,494*	-	-	-	-	-	*-3,494*
Other reserves	-	-	-	-	-	-	-
Retained earnings from previous financial years	*-35,059*	*-6,156*	*25,983*	-1,409	*-9,290*	*-8,864*	*-34,796*
D. Net result for the financial year	81,174	-772	23,450	-193	28,650	-79,774	52,535
II. Minority interests	19,416	266	-	-	-	9,451	29,133
LIABILITIES	1,072,593	17,785	486,631	91,757	8,490	-197,341	1,479,914
I. Non-current liabilities	854,363	13,219	442,566	88,505	8,434	-196,473	1,210,613
B. Non-current financial debts	750,254	13,219	401,488	88,505	925	-168,155	1,086,236
a. Credit institutions	551,345	-	267,089	17,000	-	42,443	877,877
b. Financial leasing	5,146	653	-	-	925	-	6,723
c. Other	193,763	12,567	134,400	71,505	-	-210,598	201,636
C. Other non-current financial liabilities	13,023	-	-	-	400	-	13,423
a. Permitted hedging instruments	13,023	-	-	-	400	-	13,423
E. Other non-current liabilities	28,177	-	19,868	-	-	-	48,045
F. Deferred tax liabilities	62,909	-	21,209	-	7,109	-28,318	62,909
a. Exit tax	6,723	-	-	-	-	-	6,723
b. Other	56,186	-	21,209	-	7,109	-28,318	56,186
II Short-term liabilities	218,230	4,565	44,065	3,252	56	-868	269,301
B. Current financial liabilities	165,342	-	2,872	-	-	-1,691	166,523
a. Credit institutions	165,342	-	2,872	-	-	-1,691	166,523
D. Trade debts and other current liabilities	17,708	3,096	11,836	107	-	10,882	43,630
a. Exit tax	-9	-	-	-	-	-	-9
b. Other	17,717	3,096	11,836	107	-	10,882	43,639
Suppliers	*13,492*	*788*	*8,277*	107	-	*10,882*	*33,547*
Tenants	*2,328*	-	-	-	-	*0*	*2,328*
Taxes, wages and social security contributions	*1,897*	*2,308*	*3,558*	-	-	*0*	*7,764*
E. Other current liabilities	26,436	39	26,310	-	56	-7,070	45,771
Other	*26,436*	*39*	*26,310*	-	*56*	*-7,070*	*45,771*
F. Accruals and deferrals	8,744	1,430	3,047	3,145	-	-2,989	13,377
a. Deferred property income	*2,368*	*-92*	*16*	-	-	-	*2,292*
b. Accrued interest not due	*2,027*	-	*1,408*	1,454	-	-	*4,888*
c. Other	*4,349*	*1,522*	*1,624*	1,691	-	-	*9,186*
TOTAL EQUITY AND LIABILITIES	**2,076,444**	**11,127**	**580,968**	**90,180**	**33,883**	**101,384**	**2,893,986**

5.5.2.3 Notes to the Unaudited Pro forma Consolidated Financial Information as of and for the financial year ended 31 December 2021

<u>Note 1 – Xior Student Housing NV Consolidated IFRS Financial Information as of and for the financial year ended 31 December 2021</u>

This information has been extracted directly from the audited consolidated financial statements of the Company for the financial year ended 31 December 2021 and as of 31 December 2021. Further details on this financial information are disclosed in Chapter 5.5.1.3 of this Securities Note.

<u>Note 2 – Audited Special Purpose Combined Financial Information of BaseCamp Combined as of and for the financial year ended 31 December 2021</u>

This information is extracted from the Audited Special Purpose Combined Financial Information of BaseCamp Combined as of and for the financial year ended 31 December 2021 and as of 31 December 2021. Further details on this financial information are disclosed above in Chapter 5.5.1.3 of this Securities Note.

The general company expenses of EUR 11,635 thousand of BaseCamp Combined in the unaudited *pro forma* consolidated statement of comprehensive result cover the fixed operating expenses of the BaseCamp Combined. The other operating income of EUR 11,792 thousand consists of real estate services provided to the PropCo Entities and Blue Gate Aachen, on one hand (that are eliminated further on in the *pro forma* financial information), and to (the alternative investment fund manager(s) of) ESHF I and ESHF II and their subsidiaries (including STH and E2H), on the other hand. A description of the different services can be found in Chapter 2.4.1.3 of this Securities Note. The financial result of EUR -1,119 thousand relates to interest charges linked to a long term third party credit facility.

BaseCamp Combined assets for an amount of EUR 11,127 thousand in the unaudited *pro forma* consolidated statement of comprehensive result consist mainly of EUR 5,615 thousand of trade receivables, on one hand, and EUR 2,515 thousand of cash and cash equivalents, on the other hand. The trade receivables relate mainly to services performed for the PropCo Entities and Blue Gate Aachen that are eliminated in the *pro forma* adjustments.

BaseCamp Combined equity of EUR -6,657 thousand consists mainly of the retained earnings from previous financial years. BaseCamp Combined liabilities of EUR 17,785 thousand consists mainly of EUR 12,567 thousand for a long term third party credit facility and EUR 3,096 thousand of short term trade debts.

As described in Chapter 2.2.1 of this Securities Note, BaseCamp Combined will be acquired in two subsequent steps. The Danish OpCos will be acquired on the Closing Date and the BaseCamp Closing OpCos will be acquired on the BaseCamp Closing Date or the BaseCamp Postponed Closing Date, as applicable.

The below tables reflect the split of BaseCamp Combined historical financial information between the Danish OpCos and the BaseCamp Closing OpCos.

Condensed income statement of BaseCamp Combined for the financial year ended 31 December 2021

In EUR thousand	**Danish OpCos**	**BaseCamp Closing OpCos**	**Intercompany eliminations**	**BaseCamp Combined**
Property result	(25)	(79)	0	(105)
Operating result	(1,272)	1,504	(319)	(88)
Financial result	(1,183)	62	2	(1,119)

Net result	(2,021)	1,566	(318)	(772)

The intercompany eliminations in the above table mainly relate to recharge of services performed by the different operational entities in BaseCamp Combined or costs incurred in one operational entity that need to be recharged to other operational entities.

Condensed statement of financial position of BaseCamp Combined as of 31 December 2021

In EUR thousand	Danish OpCos	BaseCamp Closing OpCos	Intercompany eliminations	BaseCamp Combined
Total assets	26,083	7,705	(22,660)	11,127
Total equity	(1,793)	1,861	(6,725)	(6,657)
Total liabilities	27,876	5,844	(15,935)	17,785
Total equity & liabilities	26,083	7,705	(22,660)	11,127

Note 3 – Financial information of the PropCo Entities and Blue Gate Aachen as of and for the financial year ended 31 December 2021

This information is extracted from the Audited Special Purpose Financial Information (trial balances) of the PropCo Entities and Blue Gate Aachen or the Audited Statutory Financial Statements of the PropCo Entities, as applicable, as of and for the financial year ended 31 December 2021. Further details on this financial information are disclosed above in Chapter 5.5.1.3 of this Securities Note.

EUR 12,185 thousand relates to rental income in the unaudited *pro forma* consolidated statement of comprehensive result of the PropCo Entities, which results in a property result of EUR 10,541 thousand net of the rental charges borne by the proprietor and a property operating result of EUR 5,920 thousand after deduction of the different property charges. After deduction of mainly general company expenses of EUR 2,604 thousand for PropCo Entities and EUR 127 thousand for Blue Gate Aachen, an operating result before result on portfolio of EUR 3,169 thousand for the PropCo Entities and EUR -158 thousand for Blue Gate Aachen is achieved.

The net result of EUR 23,450 thousand for the PropCo Entities is mainly determined by the variations in the fair value of investment property for an amount of EUR 46,475 thousand, a financial result of EUR -15,315 thousand and deferred taxes of EUR -11,688 thousand. The net result of Blue Gate Aachen is mainly determined by the result on the sale of investment property of EUR -25 thousand and the financial result of EUR -10 thousand.

The unaudited *pro forma* consolidated statement of financial position for the PropCo Entities contains on the asset side mainly EUR 543,539 thousand of investment property (the buildings to be let and the buildings under development), on one hand, and cash and cash equivalants for EUR 25,534 thousand, on the other hand. For Blue Gate Aachen the assets side is mainly determined by the building for EUR 73,623 thousand.

The equity and liabilities for the PropCo Entities consist of EUR 94,338 thousand in equity and EUR 486,631 thousand in liabilities. The liabilities consist of EUR 267,089 thousand of non-current financial debts versus credit institutions and EUR 134,400 thousand of other non-current financial liabilities. For Blue Gate Aachen the equity of EUR -1,577 thousand consists mainly in retained earnings of previous financial years for an amount of EUR -1,409 thousand. The liabilities of EUR 91,757 thousand relate to non-current liabilities for an amount of EUR 88,505 and EUR 3,252 thousand relates to current liabilities.

The other non-current financial liabilities of EUR 134,400 thousand for the PropCo Entities consists mainly in EUR 125,085 thousand of Shareholder Loans for the PropCo Entities, the remaining amount of EUR 9,314 thousand relating to other non-current financial liabilities in the different PropCo Entities. The EUR 71,505 thousand for Blue Gate Aachen under other non-current financial liabilities relates to the BGA Shareholder Loan. Additional financial information on the PropCo Entities and Blue Gate Aachen can be found in Chapter 2.4 of this Securities Note.

The other current liabilities of EUR 26,310 thousand for the PropCo Entities consist mainly in VAT liabilities in the different PropCo Entities.The amount of EUR 11,836 thousand for the PropCo Entities and EUR 107 thousand for Blue Gate Aachen classified as “Other” under trade debts and other current liabilities consists mainly in debts versus suppliers.

As the Company’s consolidated IFRS financial statements have a different presentation of the income statement and balance sheet compared with the Audited Statutory Financial Statements of the PropCo Entities, reclassifications were performed in order to align the presentation from the Audited Statutory Financial Statements of the PropCo Entities to the Company’s presentation.

The most significant balance sheet reclassifications performed are listed below:

1. ST Łódź Rembielinskiego Sp. z o.o.: Long term liabilities of EUR 37,239 thousand (PLN 171,185 thousand) were split between EUR 14,239 thousand in non-current financial debts credit institutions as these liabilities relate to bank loans and EUR 23,000 thousand in non-current financial debts other as they relate to loans from shareholders.

2. Łódź Rewolucji 1905 Sp. z o.o.: Related parties liability of EUR 15,155 thousand (PLN 69,667 thousand) is classified as non-current financial debts other as it relates to loans from shareholders.

3. ST Katowice Krasinskiego Sp. z o.o.: (i) Long-term liabilities of EUR 40,125 thousand (PLN 184,546 thousand) is split between EUR 7,857 thousand in non-current financial debts credit institutions as these liabilities relate to bank loans and EUR 32,222 thousand in non-current financial debts other as they relate to loans from shareholders, and (ii) current liabilities are mostly presented in current financial liabilities credit institutions as well.

4. ST Skovbrynet Student ApS: (i) Other payables of EUR 102,083 thousand (DKK 759,127 thousand) is split between EUR 87,368 thousand in non-current financial debts credit institutions as these liabilities relate to bank loans and EUR 14,714 thousand in other non-current liabilities as they relate to a long-term VAT liability, and (ii) payables to subsidiaries of EUR 3,498 thousand (DKK 26,016 thousand) is classified as other current liabilities as it relates to short term shareholder loans.

5. BC Student Malmö AB: (i) Construction in progress and advance payments for tangible assets of EUR 56,020 thousand (SEK 574,219 thousand) is split between EUR 52,362 thousand in property developments as it relates to investment property and EUR 3,658 thousand in other current assets as it relates to prepayments to construction; and (ii) liabilities to group companies of EUR 13,108 thousand (SEK 134,307 thousand) are classified as non-current financial debts other as they relate to loans from shareholders.

6. ESHF 2 Birketinget ApS: Current portion of long-term liabilities of EUR 14,056 thousand (DKK 104,524 thousand) is classified as other current liabilities as it relates to short term shareholder loans.

7. BC Skovbrynet Residential ApS: Other payables of EUR 45,242 thousand (DKK 336,438 thousand) is split between EUR 40,733 thousand in non-current financial debts credit institutions as these liabilities relate to bank loans and EUR 4,509 thousand in other non-current liabilities as they relate to a long-term VAT liability.

8. ESHF 2 Aarhus Student ApS: Payables to subsidiaries of EUR 25,293 thousand (DKK 188,082 thousand) is classified as non-current financial debts other as they relate to loans from shareholders.

9. ESHF 2 Aarhus Residential ApS: Payables to subsidiaries of EUR 2,211 thousand (DKK 16,446 thousand) is classified as suppliers as they relate to an outstanding intercompay supplier debt.

The most significant income statement reclassifications performed are listed below:

1. For ST Łódź Rembielinskiego Sp. z o.o and ST Łódź Rewolucji 1905 Sp. z o.o.: (i) Consumption of materials and energy expenses are classified into rental charges borne by the proprietor, (ii) amortisation/depreciation is classified into (+/-) variations in the fair value of investment property which is later adjusted with related IFRS adjustment for fair value measurement, (iii) other operating revenues is classified into (+/-) result on the sale of investment property as it relates to the result of land sold during 2021, and (iv) third-party services is classified to (-) management costs (external) as it relates to management services for the most part.

2. BC Student Malmö AB: Other operating income and other operating expenses relate to realised foreign exchange gains and losses, and are therefore classified into - other which is classified under (-) other financial costs.

3. ESHF 2 Birketinget ApS, BC Skovbrynet Residential ApS, ESHF 2 Aarhus Student ApS and ESHF 2 Aarhus Residential ApS: these companies present only the gross profit in their statutory income statement, and for the purpose of *pro forma* financial information, appropriate split was made in order to present their revenues and expenses in line with the Company's reporting line items for the income statement.

Note 4 – Conversion from local GAAPs to IFRS and accounting policies alignment

The Audited Special Purpose Combined Financial Information of BaseCamp Combined has been prepared in accordance with IFRS and the recognition and measurement principles are already aligned with the accounting policies adopted by the Company.

The Audited Special Purpose Financial Information (trial balances) of the PropCo Entities and Blue Gate Aachen and the Audited Statutory Financial Statements of the PropCo Entities have been prepared in accordance with the relevant local GAAP. For the purposes of preparing the unaudited *pro forma* financial information, PropCo Entities and Blue Gate Aachen financial information have been adjusted for known differences between local GAAPs and IFRS, of which the following are material.

Overview of the IFRS adjustments to the statement of comprehensive result for the financial year ended 31 December 2021

	For the year ended December 31, 2021			
	IFRS ADJUSTMENT related to Investment Property	**IFRS ADJUSTMENT related to Perpetual usefruct right to land**	**IFRS ADJUSTMENT relating other remaining IFRS adjustments**	**TOTAL IFRS ADJUSTMENT**
I. CONSOLIDATED INCOME STATEMENT	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)
	Note 4.1	**Note 4.2**	**Note 4.3**	
I. (+) Rental income	-	-	199	199
(+) Rental income	-	-	199	199
(+) Rental guarantees	-	-	-	-
(-) Rent reductions	-	-	-	-
Impairments on trade receivables	-	-	-	-
NET RENTAL INCOME	-	-	199	199
V. (+) Recovery of rental charges and taxes normally payable by the tenant on let properties	-	-	-	-
- Transmission of rental charges borne by the proprietor	-	-	-	-
- Calculation of withholding tax and taxes on let properties	-	-	-	-
VII. (-) Rental charges and taxes normally payable by the tenant on let properties	-	-	-	-
- Rental charges borne by the proprietor	-	-	-	-
- Withholding tax and taxes on let properties	-	-	-	-
VIII. (+/-) Other rental-related income and expenditure	-	-	-	-
PROPERTY RESULT	-	-	199	199
IX. (-) Technical costs	-	-	-	-
Recurring technical costs	-	-	-	-
(-) Maintenance	-	-	-	-
(-) Insurance premiums	-	-	-	-
Non-recurring technical costs	-	-	-	-
(-) Claims	-	-	-	-
X.(-) Commercial costs	-	-	-	-
(-) Publicity, etc.	-	-	-	-
(-) Lawyers' fees and legal costs	-	-	-	-
XI.(-) Costs and taxes for non-let properties	-	-	-	-
XII.(-) Property management costs	-	-	-	-
(-) Management costs (external)	-	-	-	-
(-) Management costs (internal)	-	-	-	-
XIII.(-) Other property charges	-	-	-	-
(-) Architects' fees	-	-	-	-
(-) Valuation expert fees	-	-	-	-
(-) Other property charges	-	-	-	-
(+/-) PROPERTY CHARGES	-	-	-	-
PROPERTY OPERATING RESULT	-	-	199	199
XIV. (-) General company expenses	66	62	-	128
XV. (+/-) Other operating income and costs	-	-	-	-
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	66	62	199	327
XVI. (+/-) Result on the sale of investment property	-	-	-	-
XVII. (+/-) Result on the sale of other non-financial assets	-	-	-	-
XVIII.(+/- Variations in the fair value of investment property	31,330	-	-	31,330
(+) Positive variations in the fair value of investment property	*33,046*	-	-	*33,046*
(-) Negative variations in the fair value of investment property	*-1,716*	-	-	*-1,716*
XIX. (+) Other portfolio result	-	-	-	-
OPERATING RESULT	31,396	62	199	31,657
XX. (+) Financial income	-	-	-	-
(+) Interest and dividends collected	-	-	-	-
XXI. (-) Net interest costs	-	-	-	-
(-) Nominal interest paid on loans	-	-	-	-
(-) Reconstitution of the nominal amount of financial debt	-	-	-	-
(-) Costs of permitted hedging instruments	-	-	-	-
XXII. (-) Other financial costs	-	-	995	995
- Bank costs and other commissions	-	-	-	-
- Other	-	-	995	995
XXIII.(+/-) Variations in the fair value of financial assets and liabilities	-	-	-400	-400
(+/-) FINANCIAL RESULT	-	-	595	595
XXIV Share in the result of associated companies and joint ventures	-	-	-	-
RESULT BEFORE TAXES	31,396	62	794	32,252
XXV. Corporation taxes	-	-	-	-
XXVI. Exit tax	-	-	-	-
XXVII. Deferred taxes	-3,602	-	-	-3,602
(+/-) TAXES	-3,602	-	-	-3,602
NET RESULT	**27,794**	**62**	**794**	**28,650**
	-	-	-	-
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT	-	-	-	-
In KEUR	-	-	-	-
Net result	**27,794**	**62**	**794**	**28,650**
Other components of comprehensive income	-	-	-	-
	-	-	-	-
(+/-) Variations in the effective part of the fair value of permitted cash flow hedging instruments	-	-	-	-
	-	-	-	-
GLOBAL RESULT	**27,794**	**62**	**794**	**28,650**
Attributable to:	-	-	-	-
Minority interests	-	-	-	-
Group shareholders	27,794	62	794	28,650

Overview of the IFRS adjustments to the statement of financial position as of 31 December 2021

	As of December 31, 2021			
	IFRS ADJUSTMENT related to Investment Property	**IFRS ADJUSTMENT related to Perpetual usefruct right to land**	**IFRS ADJUSTMENT relating other remaining IFRS adjustments**	**TOTAL IFRS ADJUSTMENT**
I. CONSOLIDATED BALANCE SHEET	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)
	Note 4.1	**Note 4.2**	**Note 4.3**	
I. FIXED ASSETS	32,579	1,105	199,128	33,883
A. Goodwill	-	-	-	-
B. Intangible assets	6	-	-	6
C. Investment property	33,642	1,105	-	34,748
a. Property available to let	27,002	1,105	-	28,107
b. Property developments	6,641	-	-	6,641
D. Other tangible fixed assets	-	-	-	-
a. Tangible fixed assets for own use	-	-	-	-
E. Financial fixed assets	-	-	-	-
Assets held until maturity	-	-	-	-
Other	-	-	-	-
G. Trade receivables and other fixed assets	- 1,069	-	199	- 870
H. Deferred taxes – assets	-	-	-	-
I. Shareholdings in associated companies and joint ventures, equity movements	-	-	-	-
II. CURRENT ASSETS	0	-	0	0
D. Trade receivables	-	-	-	-
E. Tax receivables and other current assets	-	-	-	-
a. Taxes	-	-	-	-
c. Other	-	-	-	-
F. Cash and cash equivalents	-	-	-	-
G. Accruals and deferrals	0	-	0	0
Prepaid property charges	-	-	-	-
Accrued rental income not due	-	-	-	-
Other	0	-	0	0
TOTAL ASSETS	**32,579**	**1,105**	**199**	**33,883**
EQUITY	25,470	125	-201	25,393
I. Equity attributable to parent company shareholde	25,470	125	-201	25,393
A. Capital	-	-	-	-
a. Issued capital	-	-	-	-
b. Capital increase costs (-)	-	-	-	-
B. Issue premiums	-	-	-	-
C. Reserves	-2,324	62	-995	-3,256
Reserve for the balance of variations in the fair value of property	*6,033*	-	-	*6,033*
Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment properties	-	-	-	-
Reserve for the balance of the variations in the fair value of permitted hedging instruments not subject to hedging accounting as defined in the IFRS	-	-	-	-
Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method	-	-	-	-
Other reserves	-	-	-	-
Retained earnings from previous financial years	*-8,358*	*62*	*-995*	*-9,290*
D. Net result for the financial year	27,794	62	794	28,650
II. Minority interests	-	-	-	-
LIABILITIES	7,109	981	400	8,490
I. Non-current liabilities	7,109	925	400	8,434
B. Non-current financial debts	-	925	-	925
a. Credit institutions	-	-	-	-
b. Financial leasing	-	925	-	925
c. Other	-	-	-	-
C. Other non-current financial liabilities	-	-	400	400
a. Permitted hedging instruments	-	-	400	400
E. Other non-current liabilities	-	-	-	-
F. Deferred tax liabilities	7,109	-	-	7,109
a. Exit tax	-	-	-	-
b. Other	7,109	-	-	7,109
II Short-term liabilities	-	56	-	56
B. Current financial liabilities	-	-	-	-
a. Credit institutions	-	-	-	-
D. Trade debts and other current liabilities	-	-	-	-
a. Exit tax	-	-	-	-
b. Other	-	-	-	-
Suppliers	-	-	-	-
Tenants	-	-	-	-
Taxes, wages and social security contributions	-	-	-	-
E. Other current liabilities	-	56	-	56
Other	-	*56*	-	*56*
F. Accruals and deferrals	-	-	-	-
a. Deferred property income	-	-	-	-
b. Accrued interest not due	-	-	-	-
c. Other	-	-	-	-
TOTAL EQUITY AND LIABILITIES	**32,579**	**1,105**	**199**	**33,883**

Note 4.1 – Investment property

Except for ST Skovbrynet Student ApS, ESHF 2 Birketinget ApS, ESHF 2 Aarhus Student ApS, ESHF 2 Aarhus Residential ApS and BC Skovbrynet Residential ApS, the investment properties of the PropCo Entities and Blue Gate Aachen are measured at historical cost, net of accumulated depreciation and impairment. However, in accordance with IFRS (IAS 40 Investment Property), the Company measures investment properties at fair value.

Gains and losses resulting from changes in the fair value of investment properties are recognised in the income statement under variation in the fair value of investment property in the period in which they arise.

The fair values of the investment properties of the PropCo Entities and Blue Gate Aachen have been determined by independent valuation experts as of 1 January 2021 and as of 31 December 2021. Accordingly, this IFRS adjustment resulted in (i) an increase of investment property by EUR 33,642 thousand and an increase of deferred tax liabilities by EUR 7,109 thousand as of 31 December 2021, and (ii) the reversal of deprecation expenses and the recognition of the change in fair value of investment property for the net amount of EUR 31,330 thousand and a deferred tax expense for an amount of EUR 3,602 thousand for the financial year ended 31 December 2021.

Changes in fair value of the investment property as IFRS adjustment in Note 4.1 under Chapter 5.5.2.3 of this Securities Note of EUR 31,330 thousand relate to the remaining PropCo Entities and Blue Gate Aachen that do not report under IFRS for statutory purposes. The amount of EUR 31,330 thousand is the result of EUR 33,046 thousand positive variation and EUR 1,716 thousand negative variation, with the latter booked on the investment property owned by ST Katowice Krasińskiego Sp. z o.o. based on the valuation report per 31 December 2021. EUR 46,475 thousand of changes in fair value of the investment property is already shown in Note 3 under Chapter 5.5.2.3 of this Securities Note, since the Danish PropCo Entities report for statutory purposes under IFRS.

The increase for the Danish PropCo Entities can mainly be explained by the stabilisation of the operational properties in 2021 and an increase in occupancy for 2021 for the properties held by these entities. The increase for the remaining PropCo Entities is mainly explained by an increase in the average daily rate for the German PropCo Entities.

The movement in the reserves for an amount of EUR -2,324 thousand consists of EUR -8,358 thousand in retained earnings related to the impact of the first time adoption of IFRS, whereby the opening balance was converted to IFRS and EUR 6,033 thousand for the IFRS adjustment for fair value of the property in the opening balance sheet.

Note 4.2 – Perpetual usufruct rights to land

ST Łódź Rewolucji 1905 Sp. z o.o. and ST Łódź Rembielińskiego Sp. z o.o. have some perpetual usufruct rights to land. These perpetual usufruct rights to land were not accounted for under Polish GAAP. However, under IFRS 16 Leases, rights of use for perpetual usufruct rights to land must be recognised. Accordingly, this IFRS adjustment has resulted in (i) an increase of investment property by EUR 1,105 thousand and an increase of non-current financial debts by EUR 925 thousand and other current liabilities by EUR 56 thousand as of 31 December 2021, and (ii) the recognition of general company expenses for an amount of EUR 62 thousand for the financial year ended 31 December 2021.

Note 4.3 – Other remaining IFRS adjustments

ST Katowice Krasińskiego Sp. z o.o. had a building under construction. This building was completed and became operational in the course of 2021. Loans in euros were contracted with regard to the construction of this building. Under Polish GAAP and for local accounting purposes, the loans in foreign exchange currency are revaluated every quarter at spot rate, creating an unrealised and deferred foreign exchange gain or loss on the balance sheet. When property becomes operational, the unrealised foreign exchange gain/loss on the revaluation of loans is released to income statement under Polish GAAP, including any prior year effects.

As the building under construction in ST Katowice Krasińskiego Sp. z o.o. was completed in 2021, the unrealised foreign exchange gain/loss on loans were released in 2021, including any prior year effects. For IFRS accounting purposes the unrealised foreign exchange gain/loss related to previous years was reversed from 2021 income statement, leading to a decrease of other financial costs by EUR 995 thousand for the financial year ended 31 December 2021, and reflected through retained earnings.

EUR 400 thousand adjustment relates to market value of interest rate swap leading to an increase in other non-current financial liabilities and variations in the fair value of financial assets and liabilities in the income statement.

Note 5 – *Pro forma* adjustments

Pro forma adjustments are based upon available information and certain preliminary estimates and assumptions, as well as certain *pro forma* assumptions, which the management of the Company believes are reasonable. In particular, it is assumed that the Transaction took place on 1 January 2021 with respect to the unaudited *pro forma* consolidated statement of comprehensive result and on 31 December 2021 with respect to the unaudited *pro forma* consolidated statement of financial position.

Actual amounts related to the Transaction may vary from the estimated amounts in the unaudited *pro forma* consolidated financial information due to, among other factors, (i) any variance in consideration paid and (ii) any variance in final transaction fees and expenses.

Overview of the pro forma adjustments to the statement of comprehensive result for the financial year ended 31 December 2021

	For the year ended December 31, 2021			
	PRO FORMA ADJUSTMENT related to Intercompany Transactions	PRO FORMA ADJUSTMENT related to the Refinancing of Loans	PRO FORMA ADJUSTMENT relating to the Acquisitions	TOTAL PRO FORMA ADJUSTMENT
I. CONSOLIDATED INCOME STATEMENT	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)
	Note 5.1	Note 5.2	Note 5.3	
I. (+) Rental income	-	-	-	-
(+) Rental income	-	-	-	-
(+) Rental guarantees	-	-	-	-
(-) Rent reductions	-	-	-	-
Impairments on trade receivables	-	-	-	-
NET RENTAL INCOME	-	-	-	-
V. (+) Recovery of rental charges and taxes normally payable by the tenant on let properties	-	-	-	-
- Transmission of rental charges borne by the proprietor	-	-	-	-
- Calculation of withholding tax and taxes on let properties	-	-	-	-
VII. (-) Rental charges and taxes normally payable by the tenant on let properties	-	-	-	-
- Rental charges borne by the proprietor	-	-	-	-
- Withholding tax and taxes on let properties	-	-	-	-
VIII. (+/-) Other rental-related income and expenditure	-	-	-	-
PROPERTY RESULT	-	-	-	-
IX. (-) Technical costs	-	-	-	-
Recurring technical costs	-	-	-	-
(-) Maintenance	-	-	-	-
(-) Insurance premiums	-	-	-	-
Non-recurring technical costs	-	-	-	-
(-) Claims	-	-	-	-
X.(-) Commercial costs	54	-	-	54
(-) Publicity, etc.	54	-	-	54
(-) Lawyers' fees and legal costs	-	-	-	-
XI.(-) Costs and taxes for non-let properties	-	-	-	-
XII.(-) Property management costs	1,341	-	-	1,341
(-) Management costs (external)	1,341	-	-	1,341
(-) Management costs (internal)	-	-	-	-
XIII.(-) Other property charges	-	-	-	-
(-) Architects' fees	-	-	-	-
(-) Valuation expert fees	-	-	-	-
(-) Other property charges	-	-	-	-
(+/-) PROPERTY CHARGES	1,395	-	-	1,395
PROPERTY OPERATING RESULT	1,395	-	-	1,395
XIV. (-) General company expenses	-15	-	-	-15
XV. (+/-) Other operating income and costs	-3,683	-	-	-3,683
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	-2,303	-	-	-2,303
XVI. (+/-) Result on the sale of investment property	-	-	-	-
XVII. (+/-) Result on the sale of other non-financial assets	-	-	-	-
XVIII.(+/- Variations in the fair value of investment property	-	-	-	-
(+) Positive variations in the fair value of investment property	-	-	-	-
(-) Negative variations in the fair value of investment property	-	-	-	-
XIX. (+) Other portfolio result	2,303	-	-28,639	-26,336
OPERATING RESULT	0	-	-28,639	-28,639
XX. (+) Financial income	-570	-	-	-570
(+) Interest and dividends collected	-570	-	-	-570
XXI. (-) Net interest costs	570	8,613	-	9,183
(-) Nominal interest paid on loans	*570*	*8,613*	-	*9,183*
(-) Reconstitution of the nominal amount of financial debt	-	-	-	-
(-) Costs of permitted hedging instruments	-	-	-	-
XXII. (-) Other financial costs	-	-	-	-
- Bank costs and other commissions	-	-	-	-
- Other	-	-	-	-
XXIII.(+/-) Variations in the fair value of financial assets and liabilities	-	-	-	-
(+/-) FINANCIAL RESULT	-	8,613	-	8,613
XXIV Share in the result of associated companies and joint ventures	-	-	-	-
RESULT BEFORE TAXES	0	8,613	-28,639	-20,026
XXV. Corporation taxes	-	998	-	998
XXVI. Exit tax	-	-	-	-
XXVII. Deferred taxes	-	-	-	-
(+/-) TAXES	-	998	-	998
NET RESULT	**0**	**9,611**	**-28,639**	**-19,028**
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT	-	-	-	-
In KEUR	-	-	-	-
Net result	**0**	**9,611**	**-28,639**	**-19,028**
Other components of comprehensive income	-	-	-	-
(+/-) Impact on the fair value of estimated transaction fees and costs resulting from the hypothetical disposal of investment property	-	-	-	-
(+/-) Variations in the effective part of the fair value of permitted cash flow hedging instruments	-	-	-	-
	-	-	-	-
GLOBAL RESULT	**0**	**9,611**	**-28,639**	**-19,028**
Attributable to:	-	-	-	-
Minority interests	-	-	-19	-19
Group shareholders	0	9,611	-28,639	-19,028

Overview of the pro forma adjustments to the statement of financial position as of 31 December 2021

	As of December 31, 2021			
	PRO FORMA ADJUSTMENT related to Intercompany Transactions	**PRO FORMA ADJUSTMENT related to the Refinancing of Loans**	**PRO FORMA ADJUSTMENT relating to the Acquisitions**	**TOTAL PRO FORMA ADJUSTMENT**
I. CONSOLIDATED BALANCE SHEET	(EUR thousand)	(EUR thousand)	(EUR thousand)	(EUR thousand)
	Note 5.1	Note 5.2	Note 5.3	
I. FIXED ASSETS	-	-	106,131	106,131
A. Goodwill	-	-	-	-
B. Intangible assets	-	-	-	-
C. Investment property	-	-	106,350	106,350
a. Property available to let	-	-	27,110	*27,110*
b. Property developments	-	-	79,241	*79,241*
D. Other tangible fixed assets	-	-	-	-
a. Tangible fixed assets for own use	-	-	-	-
E. Financial fixed assets	-	-	-220	-220
Assets held until maturity	-	-	-	-
Other	-	-	-220	*-220*
G. Trade receivables and other fixed assets	-	-	-	-
H. Deferred taxes – assets	-	-	-	-
I. Shareholdings in associated companies and joint ventures, equity movements	-	-	-	-
II. CURRENT ASSETS	-4,967	-	220	-4,747
D. Trade receivables	-4,978	-	-	-4,978
E. Tax receivables and other current assets	11	-	220	231
a. Taxes	-	-	-	-
c. Other	11	-	220	*231*
F. Cash and cash equivalents	-	-	-	-
G. Accruals and deferrals	-	-	-	-
Prepaid property charges	-	-	-	-
Accrued rental income not due	-	-	-	-
Other	-	-	-	-
TOTAL ASSETS	**-4,967**	**-**	**106,350**	**101,384**
EQUITY	0	203,909	94,816	298,725
I. Equity attributable to parent company shareholders	0	203,909	85,365	289,274
A. Capital	-	83,417	90,546	173,963
a. Issued capital	-	*83,417*	*90,546*	*173,963*
b. Capital increase costs (-)	-	-	-	-
B. Issue premiums	-	120,492	89,754	210,246
C. Reserves	-	-	-15,161	-15,161
Reserve for the balance of variations in the fair value of property	-	-	*-6,297*	*-6,297*
Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment properties	-	-	-	-
Reserve for the balance of the variations in the fair value of permitted hedging instruments not subject to hedging accounting as defined in the IFRS	-	-	-	-
Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method	-	-	-	-
Other reserves	-	-	-	-
Retained earnings from previous financial years	-	-	*-8,864*	*-8,864*
D. Net result for the financial year [1]	0	-	-79,774	-79,774
II. Minority interests	-	-	9,451	9,451
LIABILITIES	-4,967	-203,909	11,535	-197,341
I. Non-current liabilities	0	-196,353	-120	-196,473
B. Non-current financial debts	0	-196,353	28,198	-168,155
a. Credit institutions	-	14,245	28,198	42,443
b. Financial leasing	-	-	-	-
c. Other	0	-210,598	0	-210,598
C. Other non-current financial liabilities	-	-	-	-
a. Permitted hedging instruments	-	-	-	-
E. Other non-current liabilities	-	-	-	-
F. Deferred tax liabilities	-	-	-28,318	-28,318
a. Exit tax	-	-	-	-
b. Other	-	-	-28,318	-28,318
II Short-term liabilities	-4,967	-7,556	11,655	-868
B. Current financial liabilities	-	-1,691	-	-1,691
a. Credit institutions	-	-1,691	-	-1,691
D. Trade debts and other current liabilities	-773	-	11,655	10,882
a. Exit tax	-	-	-	-
b. Other	-773	-	11,655	10,882
Suppliers	-773	-	*11,655*	*10,882*
Tenants	-	-	-	-
Taxes, wages and social security contributions	-	-	-	-
E. Other current liabilities	- 4,066	- 3,004	-	- 7,070
Other	- 4,066	- *3,004*	-	- *7,070*
F. Accruals and deferrals	-128	-2,861	-	-2,989
a. Deferred property income	-	-	-	-
b. Accrued interest not due	-	*-2,861*	-	*-2,861*
c. Other	*-128*	-	-	*-128*
TOTAL EQUITY AND LIABILITIES	**-4,967**	**-**	**106,350**	**101,384**

[1] The elimination of the Net result of the financial year in Pro forma adjustment relating to acquisition (EUR - 79,774 thousand) is the result of the first consolidation whereby the net assets acquired are eliminated against the total consideration (Net result of the financial year for the acquired entities EUR 51,134 thousand and Other portfolio result EUR 28,639 thousand).
The Net result of the financial year 2021 of the acquired entities needs to be eliminated in consolidation since for Pro-forma statement of financial position the pro-forma acquisition date is 31/12/2021.

Note 5.1 – Pro forma adjustments related to intercompany transactions

BaseCamp Combined charged under other operating income and cost an amount of EUR 3,683 thousand towards the PropCo Entities and Blue Gate Aachen consisting of property management fees, development management fees and recharges of marketing fees.

BaseCamp Combined charged property management fees to the PropCo Entities for an amount of EUR 1,341 thousand. Following the completion of the Transaction, such fees will be considered as intercompany transactions and will then be eliminated in the consolidated financial statements of the Company. Therefore, they were eliminated on a *pro forma* basis.

BaseCamp Combined also charged property development fees to the PropCo Entities and Blue Gate Aachen where the investment properties are under development and construction for an amount of EUR 2,303 thousand. These property development fees have been capitalised as part of the investment properties under construction. When consolidating BaseCamp Combined, the PropCo Entities and Blue Gate Aachen for *pro forma* purposes, capitalised amount is removed from other operating income and included in other portfolio result, through which the Company records activation of costs (capitalisation).

These *pro forma* adjustments are expected to have a recurring impact on the consolidated financial statements of the Company going forward.

The *pro forma* adjustments of EUR 4,978 thousand on trade receivables, EUR 773 thousand on trade debts and other current liabilities, EUR 4,066 thousand on other current liabilities and EUR 128 thousand on accruals and deferrals reflect (i) the elimination of the outstanding invoices of property management fees and shared services between BaseCamp Combined, the PropCo Entities and Blue Gate Aachen since such balances will be considered as intercompany balances following the completion of the Transaction, and (ii) elimination of the intercompany loan between BaseCamp Combined and the PropCo Entities.

Note 5.2 – Pro forma adjustments related to the refinancing of loans

In connection with the Transaction, the receivables of the Shareholders Loans and the receivable of the shareholder loan granted by E2H to Blue Gate Aachen under the interest-bearing loan facility agreement dated 22 October 2021 between Blue Gate Aachen and E2H (the "**BGA Shareholder Loan**") will be contributed in kind in the context of the Capital Increase on Closing and in the context of the BGA Acquisition on the BGA Closing Date, respectively, resulting in an increase of capital and issue premiums for an amount of EUR 203,909 thousand. These Shareholder Loans and the BGA Shareholder Loan were initially booked as non-current debt of EUR 198,044 thousand and current debt of EUR 5,865 thousand.

Certain existing bank loans of the PropCo Entities and Blue Gate Aachen and the Danish OpCo Shareholder Loan in BaseCamp Combined for an amount of EUR 214,171 thousand and EUR 12,554, respectively, will be repaid and refinanced through a shareholder loan by the Company. This refinancing will lead to a reclassification of EUR 1,691 thousand from current financial liabilities to non-current financial liabilities, and a decrease in interest expense in income statement of EUR 8,613 thousand.

Consequently, the non-current financial debts will decrease by EUR 196,353 thousand, as a result of the following:

- decrease of EUR 198,043 thousand of shareholder loan which is replaced by contribution in kind; and

- offset by EUR 1,691 thousand of refinanced bank loan which becomes long term after refinancing.

The short-term liabilities will decrease by EUR 7,556 thousand, as a result of the following:

- decrease of EUR 3,004 thousand of shareholder loan which is replaced by contribution in kind;

- decrease of EUR 2,861 thousand of accrued interest not due related to shareholder loan which is replaced by contrinbution in kind; and

- decrease by EUR 1,691 thousand of refinanced bank loan which becomes long term after refinancing.

The contribution in kind of the receivables of the Shareholders Loans and the receivable of the BGA Shareholder Loan, the refinancing of the Danish OpCo Shareholder Loan in BaseCamp Combined and the refinancing of certain existing bank loans of the PropCo Entities and Blue Gate Aachen will lead to a decrease of the corporate taxes by EUR 998 thousand.

During the financial year ended 31 December 2021, BaseCamp Combined, the PropCo Entities and Blue Gate Aachen incurred financial expenses of EUR 11,051 thousand with regard to this financial debt that will be replaced by the Company. As a *pro forma* adjustment, these were reversed.

For the Transaction, the Company will draw EUR 226,726 thousand. Assuming the Transaction was completed on 1 January 2021, an interest expense of EUR 2,437 thousand would have been incurred during the financial year ended 31 December 2021.

This *pro forma* adjustment is expected to have a recurring impact on the consolidated financial statements of the Company going forward.

Note 5.3 – Pro forma adjustments related to the acquisition accounting

As described in Chapter 5.5.1.1 of this Securities Note, the Transaction will be accounted for as an asset acquisition. In line with the accounting policy adopted by the Company, the difference between the total fair value of the net assets acquired in the context of this Transaction and the purchase price paid is allocated entirely to other portfolio result on the income statement.

For purposes of reflecting asset deal in *pro forma* financial information, the purchase price paid for the Transaction is comprised of (reference is made to the detailed table below and also to Chapters 2.3.1.2, 2.3.2.2, 2.3.3.2 and 2.3.4 of this Securities Note):

(i) the Contributions Consideration, the portion of the Danish OpCos Consideration that relates to the Lyngby Residential Property and the BGA Consideration, which were determined based on, among others, the agreed valuations of the Properties owned by the PropCo Entities as at 30 August 2022 (as reported by CBRE to the Company on 1 September 2022);

(ii) the Exercise Price and the portion of the Danish OpCos Consideration that relates to the Danish OpCos for BaseCamp Combined;

(iii) the Transaction-related expenses for a provisional amount of EUR 11,655 thousand; and

(iv) the adjustments for W&I and title insurance premium and for closing working capital, closing cash and closing indebtedness based on the *pro forma* consolidated income statement for the financial year ended 31 December 2021 and the consolidated *pro forma* statement of financial position as of 31 December 2021.

In EUR thousand	**Danish OpCo Acquisition**	**Contributions**	**BaseCamp Call Option**	**BGA Acquisition**	**Total Transaction**
Consideration	89,000	669,600	36,000	134,850	929,450
Adjustments to consideration (debt, net working capital, cash and W&I and title insurance premium)	-60,802	-493,985	87	-121,318	-676,018
Consideration paid	28,198	175,615	36,087	13,532	253,432

Consideration paid in cash	28,198	0	0	0	28,198
Consideration remunerated in newly issued shares	0	175,615	36,087	13,532	225,234
Contribution in kind of shareholder loans	0	130,950	0	72,959	203,909
Shareholder loan in cash	12,554	0	0	0	12,554
Increase capital and issue premiums	0	306,565	36,087	86,491	429,143

The Earn-Out Amount is excluded from the above considerations as it relates to payments that will be made upon future acquisition of new investment properties, as described in Chapter 2.3.3.2 of this Securities Note.

On a *pro forma* basis, the net assets acquired in the context of the Transaction are measured at fair value as of 31 December 2021 before applying the acquisition accounting in line with the Company accounting guidelines.

The consideration for the PropCo Entities (excluding BC Skovbrynet Residential ApS) and Blue Gate Aachen and the BaseCamp Closing OpCos will be remunerated in newly issued Shares through capital increases (if it is agreed to remunerate the BGA Consideration by way of issuance of new Shares, which has been assumed for purposes of *pro forma* financial information; if not, the BGA Consideration will be paid in cash). The consideration for the Danish OpCos (including BC Skovbrynet Residential ApS) will be paid in cash.

The acquisition accounting in line with the Company accounting guidelines implies that the investment property is valued in the *pro forma* statement of financial position at 31 December 2021 at its value at 30 August 2022 as reported by CBRE to the Company on 1 September 2022. These changes in fair value are explained in the second part of the table below (EUR 27,110 thousand and EUR 79,241 thousand makes a total increase in fair value of EUR 106,351 thousand). The acquisition accounting also implies that in the *pro forma* statement of comprehensive income at 31 December 2021, the difference of EUR 28,639 thousand accounted for as a cost in other portfolio result is determined as the difference between (i) the total fair value at 30 August 2022 of the net assets acquired (after deduction of minority interests, EUR 236,448 thousand) and (ii) the total consideration paid (including portfolio premium) (EUR 253,432 thousand), together with the transaction cost (EUR 11,655 thousand). This is explained in the last part of the table below.

Summary of *pro forma* impact of the Transaction (in EUR thousand)	**Danish OpCo Acquisition**	**Contributions**	**BaseCamp Call Option**	**BGA Acquisition**	**Total Transaction**
Consideration paid	28,198	175,615	36,087	13,532	253,342
Transaction costs					11,655
Minority interest	0	0	0	9,717	9,717
					274,804
	Danish OpCo Acquisition	**Contributions**	**BaseCamp Call Option**	**BGA Acquisition**	**Total Transaction**
Changes in FV for property available to let at acquisition	-3,797	30,907	0	0	27,110
Changes in FV for property development at acquisition	0	44,366	0	34,875	79,241
Net assets	16,246	102,106	1,456	-8,312	111,496
Initial recognition exemption DTL	6,907	22,600	0	-1,188	28,318
Total net assets acquired	**19,355**	**199,979**	**1,456**	**25,375**	**246,165**

Other portfolio result	0	0	0	0	28,639
Total					**274,804**

Consequently, on a *pro forma* basis, the completion of the Transaction will result in (as further shown and explanining the figures in the column "*pro forma* adjustments relating to acquisitions" of the overview of the *pro forma* adjustments to the statement of financial position as of 31 December 2021 above):

- an increase in investment property affecting the unaudited *pro forma* consolidated statement of financial position by EUR 106,350 thousand (i.e. property available to let by EUR 27,110 thousand and property development by EUR 79,241 thousand) due to the difference of valuation date between the consideration paid for the PropCo Entities based, among others, on agreed valuations as at 30 August 2022 (as reported by CBRE to the Company on 1 September 2022) and their fair value as of 31 December 2021 in the *pro forma* consolidated statement of financial position, bringing fair value of investment property in *pro forma* financial information in line with agreed valuations as at 30 August 2022 (as reported by CBRE to the Company on 1 September 2022);

- an increase in total equity by EUR 85,099 thousand coming from an increase in capital and issue premiums by EUR 225,234 thousand for the remuneration of acquisition price in Shares, offset by the net assets of BaseCamp Combined, the PropCo Entities and Blue Gate Aachen after IFRS adjustments of EUR 111,496 thousand (following first consolidation of the new acquired entities), and offset by other portfolio result in the unaudited *pro forma* consolidated statement of comprehensive result by EUR 28,639 thousand, coming from the difference between the total fair value of the net assets acquired and the total purchase price paid and minority Interest of EUR 9,717 thousand;

- an increase in non-current financial debts in the unaudited *pro forma* consolidated statement of financial position by EUR 28,198 thousand coming from the drawing on an existing loan facility of EUR 28,198 thousand for the payment in cash of the Danish OpCos Consideration;

- an increase in trade debts and other current liabilities in the unaudited *pro forma* consolidated statement of financial position by EUR 11,655 thousand for the Transaction-related expenses; and

- a decrease in deferred tax liabilities in the unaudited *pro forma* consolidated statement of financial position of EUR 28,318 thousand as an exemption to recognition of deferred tax liabilities under asset acquisition accounting, resulting from the application of the initial recognition exemption in accordance with IAS 12. As a consequence, the deferred taxes on the unaudited *pro forma* consolidated statement of financial position have been reversed.

5.6. Additional financial information on the Target Companies

5.6.1 Dividend policy

The Target Companies do not have a policy on dividend payments or distributions.

The Company is of the opinion that the information on the amount of the dividend per share of each Target Company for the financial year for the period covered by the Unaudited *Pro forma* Financial Information adjusted, where the number of shares in the Target Companies has changed, to make it comparable is not relevant for investors to make an informed investment decision as it is expected that, upon completion of the Transaction, the Target Companies will become subsidiaries of the Company and only dividend distributions by the Company will be relevant for investors. For a relevant description of the Company's dividend forecast for the financial year 2022 based on the Company's actual expectations, please refer to Chapters 6.7.1.3 and 9.2.2 of this Securities Note.

5.6.2 Significant change in the Target Companies' financial position

There is no significant change in the Target Companies' financial position after 31 December 2021.

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

6.1. Type and form of the New Shares

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

All New Shares 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 with voting rights and representing the capital. They will have the same rights as the Existing Shares, on the understanding that, as a result of the detachment from the Existing Shares 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 Closing (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 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 on the day prior to Closing (after the end of trading) (see also Chapter 6.7.1 of this Securities Note).

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

6.1.2 Form

The Listing of the New Shares is expected to be effective on the Effective Date.

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.

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

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

6.1.3 Currency

The issue is in euros.

6.2. Legislation to be observed and competent courts for the New Shares

The Shares are subject to Belgian law.

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

6.3. Issue of the New Shares

The Capital Increase, Contributions and resulting issue of New Shares have been proposed to the extraordinary general meeting of the Company to be held on the Closing Date following a decision taken by the Board of Directors on 12 August 2022.

The New Shares will be issued on the Closing Date upon approval of the Capital Increase, Contributions and resulting issue of New Shares, and subject to the approval of the Authorised Capital, by the extraordinary general meeting of the Company. Such approval will require the positive vote of at least 75% of the Existing Shares present and represented at the meeting.

Part of the Issue Price (of all New Shares) equal to the current accounting par value of the Existing Shares (which is EUR 18 per Share) multiplied by the number of New Shares will be contributed as capital. The difference between this capital contribution and the total Issue Price (of all New Shares) will be entered as an issue premium possibly after decution of an amount that does not exceed the cost of the Capital Increase within the meaning of the applicable IFRS rules, and will be entered in an available reserve account under equity with regard to the Company’s liabilities. During the Capital Increase and issue of the New Shares, the capital representative value of all Shares will be made equal to represent the same fraction of the Company’s share capital.

6.4. Listing and delivery of the New Shares

An application will be made for the Listing of the New Shares under the symbol XIOR on Euronext Brussels. The Listing of the New Shares is expected to be effective on the Effective Date.

Delivery of the New Shares is expected to take place in book-entry form against transfer of ownership of all the shares in the Contributed Companies as a result of the completion of the Contributions on the Closing Date in the account of the relevant Shareholders with their financial intermediary.

The Company has appointed ING Belgium as listing agent for its listing on Euronext Brussels.

6.5. Restrictions on the free transferability of the Shares

Subject to the general limitations described in Chapter 3.4 of this Securities Note and the specific restrictions to which the Company, STH and E2H are committed in respect of the New Shares as described in Chapter 2.3.1.7 of this Securities Note, there are no restrictions for the Shares' free transferability other than those applicable by law.

6.6. Tax system

6.6.1 Prior warning

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

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

This summary is based on the applicable tax laws, regulations and administrative interpretations on the date of this Securities Note and is provided subject to changes in the applicable tax law, including any retroactive changes.

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

Potential investors who want more information about the Company's tax regime and/or want more information about the acquisition, ownership and transfer of Shares and the collection of dividends or proceeds from Shares in Belgium and abroad are invited to consult their usual financial and tax advisers.

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

6.6.2 Dividends

6.6.2.1 Withholding tax

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

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

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

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

6.6.2.2 Natural persons based in Belgium

For private investors (natural persons who acquire and hold Shares for private purposes) resident in Belgium, the withholding tax on the dividend income is the final tax in Belgium. Dividend income does not have to be declared in the personal income tax return. Nevertheless, when a private investor chooses to include the dividend income in their personal income tax return, this income will be taxed at the individual rate of 30% or at the progressive rate, whichever is lower, also taking into account the taxpayer's other declared income. If this income is actually declared, (i) the payable income tax is not subject to a municipal surcharge; and (ii) the withholding tax may be settled with the final income tax payable and any surplus is refundable, provided that this allocation or availability for payment does not result in the impairment or depreciation of these Shares. This final condition does not apply if the private investor shows that they have held these Shares in full ownership for a continuous twelve-month period before the allocation of the dividends. Private investors can benefit from a tax exemption for the first bracket of EUR 800 (financial year 2022, assessment year 2023) for dividends paid or attributed via the personal income tax return. This exemption applies to each taxpayer each year (see Article 21, al. 1, 14° of the Income Tax Code 1992).

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

6.6.2.3 Belgian legal entitities

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

6.6.2.4 Belgian companies

Belgian companies subject to corporation tax must include the dividends in the corporation tax return. They are generally taxed on the gross dividend received (including the withholding tax) at the applicable corporation tax rate. The corporation tax standard rate is 25%. For companies that meet the conditions mentioned in Article 215, al. 2 and 3 of the Income Tax Code 1992, the corporation tax rate is 20% on the first income bracket of EUR 100,000.

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

Dividends paid by the Company are still eligible for dividends-received deduction if they arise from income from (i) real estate that is located in another member state of the European Union or in a state with which Belgium has signed a double taxation treaty, provided that this agreement or treaty provides for the exchange of information necessary to apply the national legal provisions of the contracting states; and (ii) real estate that has been subject to corporation tax, non-resident tax or a foreign tax similar to these taxes and that do not benefit from a tax regime that is excessively non-compliant with common law (Article 203, §2, al. 6 of the Income Tax Code 1992). The dividends distributed by the Company are also eligible for dividends-received deduction insofar as and to the extent that these dividends arise from dividends that meet the taxation condition listed in Article 203, §1, al. 1, 1° to 4° of the Income Tax Code 1992 or from capital gains realised on shares that qualify for exemption pursuant to

Article 192, §1 of the Income Tax Code 1992 and on the condition that the Company's Articles of Association provide for an annual distribution of at least 80% of the income earned after deduction of the remuneration, commissions and costs (Article 203, §2, al. 2 of the Income Tax Code 1992). Pursuant to Article 203, §5 of the Income Tax Code 1992, this 80% threshold is deemed to have been met when a regulated real estate company ("**RREC**") has distributed its net income in accordance with Article 13, §1 of the Royal Decree on Regulated Real Estate Companies.

The so-called quantitative condition of Article 202, §2, al. 1 of the Income Tax Code 1992 (Article 202, §2, al. 3, 3° of the Income Tax Code 1992) does not apply to the application of dividends-received deduction as explained above.

The company receiving the dividend can generally credit the withholding tax with the corporate tax. Any surplus is refundable, provided that the company fully owns the Shares on the date when the dividends' rightful claimant is identified and insofar as this allocation or availability for payment does not result in the impairment or depreciation of these Shares. This last condition is not applicable (i) if the company shows that it has fully owned these Shares for a continuous twelve-month period before the dividends were allocated or made available for payment, or (ii) if during this period, the Shares did not at any time belong to a taxpayer other than a company subject to corporation tax or a foreign company that continuously invested these Shares in a Belgian establishment.

6.6.2.5 Non-residents

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

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

Pursuant to Article 106, §7 of the Royal Decree of 27 August 1993 implementing the Income Tax Code 1992, part of the dividends the Company distributes to non-resident shareholders can be exempt from withholding tax under certain conditions. This exemption does not apply to the portion of distributed dividends derived from Belgian real estate and from dividends the Company itself acquired from a domestic company unless the latter is a RREC itself (or another company mentioned in Article 106, §7, al. 1 of the Royal Decree implementing the Income Tax Code 1992) and the dividends it distributes to the Company do not derive from dividends it received from a domestic company or from income from Belgian real estate.

Under certain conditions and subject to compliance with certain formalities, non-resident natural persons holding the Shares for non-professional purposes may benefit from a dividend tax exemption for the first bracket of EUR 800 each year and per taxpayer (financial year 2022, assessment year 2023).

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

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

6.6.3 Capital gains and losses

6.6.3.1 Belgian natural persons

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

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

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

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

Capital gains realised by natural persons resident in Belgium upon purchase of the Company's own Shares or the liquidation of the Company are generally taxable as dividends (see Chapter 6.6.2 of this Securities Note).

6.6.3.2 Belgian legal entities

Capital gains realised from the Shares by legal entities subject to taxes are generally not taxable (unless they are associated with a significant stake, see Chapter 6.6.3.1 of this Securities Note). Any capital losses are not tax-deductible.

Capital gains realised by legal entities based in Belgium upon the purchase of the Company's own Shares or the liquidation of the Company are generally taxable as dividends (see Chapter 6.6.2 of this Securities Note).

6.6.3.3 Belgian companies

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

Exemption with regard to capital gains realised on Shares of a RREC is not subject to the so-called one-year requirement and the participation condition mentioned in Article 202, §2, al. 1 of the Income Tax Code 1992 (see Article 192, §1 in conjunction with Article 202, §2, al. 3, 3° of the Income Tax Code 1992).

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

Income Tax Code 1992).

Since the Company's dividends are only partially eligible for dividends-received deduction (see Chapter 6.6.2.4 of this Securities Note), the aforementioned exemption from Article 192 of the Income Tax Code 1992 can only be applied to the same extent.

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

Capital gains realised by Belgian companies upon the purchase of the Company's own Shares or the liquidation of the Company are generally subject to the same tax regime as dividends (see Chapter 6.6.2 of this Securities Note).

6.6.3.4 Non-residents

Capital gains from the sale of Shares by non-resident natural persons are generally not taxable in Belgium, provided that (i) the Shares are not held for professional purposes by means of a fixed base or a Belgian permanent establishment used by the non-resident in Belgium, (ii) the capital gains are realised in the context of the normal management of their private assets, and (iii) there is no "significant stake" (see Chapter 6.6.3.1 of this Securities Note above). Capital losses are not tax-deductible in Belgium.

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

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

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

Capital gains realised by non-resident natural persons upon the purchase of the Company's own Shares or the liquidation of the Company are generally taxable as dividends (see Chapter 6.6.2 of this Securities Note above).

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

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

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

6.6.4 Tax on stock exchange transactions

6.6.4.1 Subscription

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

6.6.4.2 Acquisition

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

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

According to Article 126^1, 2° of the Code on Various Duties and Taxes, the following persons are always exempt from the tax on stock exchange transactions if they trade on their own account: (i) the professional intermediaries referred to in Article 2, 9° and 10° of the Law of 2 August 2002 on the supervision of the financial sector and financial services; (ii) the insurance companies referred to in Article 2, 1° of the Law of 9 July 1975 on the supervision of insurance companies; (iii) the institutions for occupational retirement provisions as referred to in Article 2, 1° of the Law of 27 October 2006 on the supervision of institutions for occupational retirement provisions; (iv) institutions for collective investment; (v) RREC; and (vi) non-residents (insofar as they submit a certificate proving that they are not resident in Belgium).

6.6.5 Annual tax on securities accounts

The Law of 17 February 2021 has introduced an annual tax on securities accounts which entered into force on 26 February 2021.

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

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

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

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

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

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

The following transactions relating to a securities account held with the same intermediary from 30 October 2020 are disregarded: (i) the splitting of a securities account into several securities accounts held with the same intermediary, and (ii) the conversion of taxable financial instruments held in a securities account into registered financial instruments. A general anti-abuse provision has also been included to prevent transactions designed to avoid the application of the tax. This anti-abuse provision applies retroactively from 30 October 2020.

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

6.7. Rights associated with the Shares

6.7.1 Dividends

6.7.1.1 General

All Shares participate in the Company's results in the same way and carry the right to the dividends granted by the Company. The New Shares will be issued with coupon no. 22 and following attached (coupons no. 17, 19 and 20 represent the dividend right for the financial year 2021, and coupon no. 21 represents the right to a proportionate dividend for the current financial year for the period from 1 January 2022 (inclusive) up to and excluding the Closing Date; coupons no. 17, 19 and 20 have been detached from the Existing Shares 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 will be detached from the Existing Shares the day prior to Closing after the end of trading.

Coupon no. 22 – or one of the following coupons as the case may be – represents the right to receive the proportionate part of the dividend for the current financial year 2022 from the Closing Date. The New Shares will therefore only participate in the result for the current financial year 2022 from the Closing Date, as in principle, the New Shares will be issued on the Closing Date according to the current sequence of events set out in Chapter 2.2.2 of this Securities Note.

In accordance with Article 11, §3 of the Law on Regulated Real Estate Companies, the Company is not obliged to establish a statutory reserve. In accordance with the Royal Decree on Regulated Real Estate Companies, the Company must pay out capital compensation that is at least equal to the positive difference between the following amounts:

- 80% of the sum of the adjusted result and net gains on the realisation of property that are not exempt from the distribution obligation, as determined in accordance with the plan in Chapter III of Annex C of the Royal Decree on Regulated Real Estate Companies; and

- the net reduction in the Company's debt for the financial year, as referred to in Article 13 of the Royal Decree on Regulated Real Estate Companies.

The use of the balance is decided at the ordinary general meeting of the Company based on a proposal from the Board of Directors.

Although the Company has the status of a Public RREC, it remains subject to Article 7:212 of the BCCA, which stipulates that a dividend can only be distributed if its distribution does not make the net assets fall below the sum of the paid-up capital and all the reserves that cannot be distributed by law or under the Articles of Association. In addition, account must always be taken of the legal (separate and consolidated) maximum debt ratio of 65% permitted by the Legislation on Regulated Real Estate Companies, and the fact that the financial institutions impose a maximum debt ratio of only 60%.

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

6.7.1.2 Dividends relating to the financial year 2021

As stated in its "*Annual Communiqué – Publication of Annual Results 2021*" and *"Convening notice for the Ordinary General Meeting of 19 May 2022"* published on the Company website on 16 February 2022 and 19 April 2022, respectively, and in Chapter 5.2.3 of the Registration Document, the Company's Board of Directors proposed a dividend of EUR 1.44 gross or EUR 1.008 net per share for the financial year 2021 at the ordinary general meeting of the Company of 19 May 2022.

This proposed gross dividend for the financial year 2021 was approved by the ordinary general meeting of the Company on 19 May 2022 and has been distributed proportionally among:

(i) coupon no. 17, which represents the gross dividend for the financial year 2021 for the period from its start (1 January 2021 (inclusive)) up to and including 8 March 2021 and was detached from the Existing Shares on 25 February 2021 (after the end of trading) (EUR 0.2643);

(ii) coupon no. 19, which represents the gross dividend right for the financial year 2021 for the period from 9 March 2021 (inclusive) up to and including 6 December 2021 and was detached from the Existing Shares on 3 December 2021 (EUR 1.0770); and

(iii) coupon no. 20, which represents the gross dividend right for the financial year 2021 for the period from 7 December 2021 (inclusive) up to and including the end of the financial year 2021 and was detached from the Existing Shares on 23 May 2022 (EUR 0.0987).

6.7.1.3 Dividends for the financial year 2022

Barring unforeseen circumstances, the Company strives towards a gross dividend of EUR 1.66 per Share for the financial year 2022 (a 15% increase compared to 2021). The Company therefore expects an increase in its EPRA earnings per Share compared to the previous financial year 2021, notwithstanding the fact that the number of Shares increased by 64.83% in the course of 2021 and 2022 as a result of (i) a capital increase in cash within the authorised capital with priority allocation rights, which was effected on 9 March 2021, (ii) a capital increase in cash within the authorised capital, lifting the existing shareholders' statutory pre-emptive rights and not granting them priority allocation rights by means of an accelerated bookbuild ("**ABB**") for international institutional investors, which was effected on 7 December 2021, and (iii) the (assumed) successful completion of the Capital Increase in the context of the Transaction (assuming an issue of 6,678,590 New Shares, based on an Estimated Contributions Consideration of EUR 293,857,981 calculated on 9 August 2022).

The dividend expected to be distributed over the financial year 2022 will be divided proportionally among:

(i) coupon no. 21, which represents the gross dividend for the current financial year 2022 for the period from its start (1 January 2022 (inclusive)) up to and excluding the Closing Date (EUR 1.1660, taking into account the expected dividend of EUR 1.66 per Share for the current financial year 2022); and

(ii) coupon no. 22 and following as the case may be, which represents the gross dividend right for the current financial year 2022 for the period from the Closing Date (inclusive) up to and including the end of the financial year 2022 (EUR 0.4900, taking into account the expected gross dividend of EUR 1.66 per Share for the current financial year 2022).

This estimate is, of course, subject to the results and approval by the ordinary general meeting of the Company for the financial year 2022. For the dividend forecast for the financial year 2022, reference is also made to Chapter 9.2.2 of this Securities Note.

6.7.2 Voting rights

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

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

6.7.3 Pre-emptive rights and priority allocation rights

A capital increase by means of a contribution in cash generally offers the Shareholders pre-emptive rights in accordance with Articles 7:188 and following of the BCCA. However, the Company may restrict or cancel the Shareholders' pre-emptive rights under the applicable company legislation in case of a capital increase by means of a contribution in cash, provided that the Shareholders receive priority allocation rights when the new securities are allocated in accordance with Article 26, §1 of the Law on Regulated Real Estate Companies and Articles 7 and 11.1 of the Company's Articles of Association.

That priority allocation right must meet the following conditions: (i) it relates to all newly issued securities, (ii) it is granted to Shareholders in proportion to the share of the capital represented by their Shares at the time of the transaction, (iii) a maximum price per share is announced by the eve of the opening of the public subscription period, and (iv) in that case, the public subscription period must last at least three trading days.

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

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

Without prejudice to the application of Articles 7:190 up to and including 7:194 of the BCCA, the aforementioned also does not apply in case of a contribution in cash with restriction or cancellation of pre-emptive rights, as a complement to a contribution in kind in the context of the distribution of an optional dividend, insofar as this is actually paid to all Shareholders. In this context, reference is also made to the authorised capital granted to the Board of Directors in Article 7 of the Articles of Association, as described in Chapter 6.7.7 of this Securities Note and further explained in the special report drawn up by the Board of Directors in accordance with

Article 7:199 of the BCCA for purposes of the extraordinary general meeting of the Company held on 24 June 2021 and published on the Company website (http://www.xior.be/nl/investor/investor-relations/general-meeting/).

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

The exercise of pre-emptive rights or priority allocation rights by certain Shareholders not resident in Belgium may be limited by the applicable law, applicable practices or other considerations, and such Shareholders may not be allowed to exercise such rights.

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

6.7.4 Rights in case of liquidation

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

6.7.5 Acquisition and disposal of own Shares

According to Article 10 of its Articles of Association, the Company may, subject to the conditions imposed by Article 7:215 of the BCCA, acquire own Shares. According to Article 7:215 of the BCCA, the general meeting or the Articles of Associations determine the maximum number of own Shares that the Company can acquire, the duration of such authorisation (which cannot exceed five years) and the minimum and maximum unit price at which the own Shares can be acquired.

At the date of this Securities Note, the Company has not been authorised to acquire own Shares in accordance with Article 7:215 of the BCCA. Such authorisation has however been requested to the extraordinary general meeting to be held on the Closing Date for a period of five years, at a unit price that must not be less than 75% and higher than 125% of the average share list price on Euronext Brussels for the last thirty days, without the Company being allowed to own Shares representing more than 10% of the total number of Shares. For more information, see the convening notice to such extraordinary general meeting and other information made available on the Company website in accordance with Article 7:129 of the BCCA (https://corporate.xior.be/en/investors/general-meeting).

The Board of Directors is permitted for an indefinite period, in accordance with Article 10 of the Company's Articles of Association and suject to the conditions imposed by Article 7:218 of the BCCA, to dispose of own Shares at a unit price that must not fall below 75% (of the average share list price on Euronext Brussels for the last thirty days.

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

6.7.6 Conversion conditions

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

6.7.7 Authorised capital

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

(i) two hundred and twenty-seven million three hundred and one thousand five hundred and sixty-one euros (EUR 227,301,561) for public capital increases by means of a contribution in cash allowing Shareholders to exercise their statutory pre-emptive rights or priority allocation rights;

(ii) two hundred and twenty-seven million three hundred and one thousand five hundred and sixty-one euros (EUR 227,301,561) for capital increases in connection with the distribution of an optional dividend;

(iii) fourty-five million four hundred and sixty thousand three hundred and twelve euros and twenty cents (EUR 45,460,312.20) for capital increases by means of a contribution in cash not giving the Shareholders the option to exercise any statutory pre-emptive rights or priority allocation rights; and

(iv) fourty-five million four hundred and sixty thousand three hundred and twelve euros and twenty cents (EUR 45,460,312.20) for (a) capital increases by means of a contribution in kind and (b) for any other capital increases,

provided that the Board of Directors never increases the capital in any case by more than the statutory maximum amount, which is 100% of the total capital amount of EUR 454,603,122 as at the extraordinary general meeting of the Company held on 24 June 2021.

The authorisations above were granted for a renewable period of five years starting from 29 June 2021, which is the publication date of the minutes of the extraordinary general meeting of the Company of 24 June 2021 in the Annexes to the Belgian Official Journal. These authorisations can be renewed.

These capital increases may be implemented by contributions in cash, contributions in kind, mixed contributions or the conversion of reserves, including retained profits and issue premiums, as well as all equity components under the Company's separate IFRS annual financial statements (drawn up under the regulations applicable to RREC) that are subject to conversion into capital, whether or not with the creation of new securities. Where appropriate, the issue premiums will be entered and retained in one or more separate accounts as liabilities in the equity section of the balance sheet. If the capital increase is decided by the Board of Directors, the Board of Directors is free to decide to place the issue premium amount – possibly reduced by an amount up to the costs of the capital increase as referred to by the applicable IFRS rules – in a non-distributable reserve account to serve as a guarantee to third parties in the same way as the capital. Subject to the issue premium's incorporation into the capital, it can only be reduced or abolished in a resolution at the general meeting of the Company in accordance with the quorum and majority rules applicable to amendments of the Articles of Association.

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

The relatively complex, expensive and time-consuming procedures for convening an extraordinary general meeting of a listed company in order to decide on a capital increase may in certain circumstances be incompatible with fluctuations on the capital markets or certain opportunities and threats that present themselves to the Company (with the exception of a public takeover bid, see 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 of Directors may also use the authorised capital in the context of the Company's remuneration policy, for example to allocate shares, share options or warrants to the employees, directors, executive management or consultants of the Company and its subsidiaries, and to persons who have provided professional services to the Company and its subsidiaries.

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

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

Since 29 June 2021, the Company has already used the authorisation it received to increase its capital once (at a capital increase in cash within the authorised capital, lifting the existing shareholders' statutory pre-emptive rights and not granting them priority allocation rights by means of an ABB for international institutional investors, which was effected on 7 December 2021). On the date of this Securities Note, the available balance for the authorised capital is as follows:

(i) EUR 227,301,561 for public capital increases by means of a contribution in cash that offer the Shareholders the option to exercise their statutory pre-emptive rights or priority allocation rights;

(ii) EUR 227,301,561 for capital increases in connection with the distribution of an optional dividend;

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

(iv) EUR 45,460,312.20 for (a) capital increases by means of a contribution in kind and (b) for any other capital increases.

The Board of Directors Company has proposed to the extraordinary general meeting of the Company to be held on the Closing Date to partially renew and extend the authorisation received on 24 June 2021 as set out in the convening notice and further explained in the special report drawn up by the Board of Directors in accordance with Article 7:199 of the BCCA for such purpose and published on the Company website (http://www.xior.be/nl/investor/investor-relations/general-meeting/). See Chapter 2.2.2 of this Securities Note for more information on the partial renewal and extension of the authorisation for authorised capital.

6.8. Statement on the existence of national legislation on takeovers applicable to the Company which may make such takeovers more difficult

6.8.1 General provisions

The Company is subject to the Belgian regulations for public takeover bids and public squeeze-outs. These are the Takeover Law and the two Royal Decrees of 27 April 2007 on public takeover bids and public squeeze-outs, respectively, the main principles of which are summarised and complemented below.

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

6.8.2 Mandatory public takeover bid

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

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

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

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

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

The bid can generally be made in cash, in securities or in a combination of both. If the consideration offered consists of securities, the bidder must propose a cash price as an alternative in two cases: (i) if the bidder or a person acting in cooperation with the bidder has acquired or is committed to acquiring cash securities during the twelve-month period preceding the announcement of the bid or during the period to which the bid relates, or (ii) if the price does not consist of liquid securities admitted to trading on a regulated market.

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

The BCCA and other regulations, such as the regulations on the disclosure of significant stakes (see Chapter 6.8.6 of this Securities Note) and the regulations on merger control, include other provisions that may apply to the Company and may have an effect on a hostile takeover bid or a change of control, or make their implementation more difficult.

In accordance with the BCCA, a company can acquire its own shares and increase its capital by means of the authorised capital if this is provided for in its Articles of Association. At the date of this Securities Note, the Company has not been authorised to acquire own Shares (see Chapter 6.7.5 of this Securities Note). The Board of Directors has an authorisation to increase the Company's capital within the authorised capital (see also Chapter 6.7.7 of this Securities Note).

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

6.8.3 Public squeeze-out

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

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

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

6.8.4 Sell-out

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

6.8.5 Implementation of the Law on Regulated Real Estate Companies

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

If a public takeover bid is launched for the Company's shares based on the regulations described in Chapters 6.8.2 up to and including 6.8.4 of this Securities Note, and as a result, less than 30% of the Company's shares are distributed among the public, the Company could lose its public character and its licence as a RREC under implementation of Article 23, §3 of the Law on Regulated Real Estate Companies.

6.8.6 Disclosure of significant stakes

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

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

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

- the acquisition or transfer of voting securities or securities that carry the right to acquire existing voting securities, regardless of how the acquisition or transfer takes place, for example by means of a purchase, sale, exchange, contribution, merger, split or succession;

- events that have altered the distribution of the voting rights, even if no acquisition or transfer has taken place (this means that these thresholds have been passively exceeded);

- the conclusion, amendment or termination of an agreement about cooperating with others;

- stakeholdership when an issuer's shares are first admitted to trading on the regulated market; or

- the acquisition or transfer of voting rights or the right to exercise voting rights.

The disclosure provisions apply to any natural or legal person who "directly" or "indirectly" acquires, transfers or holds securities as referred to in the first paragraph of this Chapter 6.8.6. In this context, a natural or legal person is considered to acquire, transfer or hold company voting securities "indirectly":

- when voting rights (which are considered to be attached to securities) as referred to in the first paragraph of this Chapter 6.8.6 are acquired, transferred or held by a third party acting on behalf of that natural person or legal entity in their own name or otherwise;

- when voting rights (which are considered to be attached to securities) as referred to in the first paragraph of this Chapter 6.8.6 are acquired, transferred or held by a company that is controlled (within the meaning of Articles 1:14 and 1:16 of the BCCA) by that natural person or legal entity; or

- when that natural person or legal entity acquires or transfers control of a company that holds voting rights (which are considered to be attached to securities) as referred to in the first paragraph of this Chapter 6.8.6 in the company.

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

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

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

7. TERMS AND CONDITIONS OF THE CONTRIBUTIONS AND ISSUE OF NEW SHARES

7.1. Overview of the Contributions

On 30 May 2022, the Company, STH and E2H entered into the Share Contribution Agreement pursuant to which they agree on the contribution in kind to the Capital Increase of the Company by STH and E2H (or their subsidiaries) on Closing of the following shares of the Contributed Companies and the receivables of the following Shareholders Loans (in principal and interests outstanding upon contribution):

(i) 2,000 shares of ST Łódź Rewolucji 1905 Sp. z o.o.;

(ii) 100 shares of ST Katowice Krasińskiego Sp. z o.o.;

(iii) 100 shares of ST Łódź Rembielińskiego Sp. z o.o.;

(iv) 2 shares of Studentenwohnheim Prager Strasse GmbH;

(v) 12,500 shares of ST Potsdam S.à r.l.;

(vi) 2,000,000 shares of ST Skovbrynet Student ApS;

(vii) 50,000 shares of ESHF 2 Aarhus Residential ApS;

(viii) 125,000 shares of ESHF 2 Aarhus Student ApS;

(ix) 50,000 shares of BC Student Malmö AB;

(x) 51,000 shares of ESHF 2 Birketinget ApS;

(xi) interest-bearing loan facility agreement dated 20 June 2017 between ST Skovbrynet Student ApS and STH, as amended on 30 June 2021 (principal of EUR 3,004,117.37 and interests of EUR 628,476.47 outstanding at 30 June 2022);

(xii) interest-bearing loan facility agreement dated 1 July 2021 between ESHF 2 Aarhus Student ApS and E2H, as amended on 14 December 2021 (principal of EUR 24,829,608.13 and interests of EUR 832,521.55 outstanding at 30 June 2022);

(xiii) interest-bearing loan agreement dated 15 November 2016 between ST Potsdam S.à r.l. and STH, as amended on 10 May 2021 (principal of EUR 4,442,425.06 and interests of EUR 347,862.11 outstanding at 30 June 2022);

(xiv) interest-bearing loan facility agreement dated 1 June 2021 between BC Student Malmö AB and E2H (principal of EUR 12,267,296.93 and interests of EUR 1,134,619.46 outstanding at 30 June 2022);

(xv) interest-bearing loan facility agreement dated 7 October 2016 between ST Katowice Krasińskiego Sp. z o.o. and STH, as amended on 6 November 2019, 27 October 2020 and 2 February 2022 (principal of EUR 21,742,113.69 and interests of EUR 4,157,415.56 outstanding at 30 June 2022);

(xvi) 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 (principal of EUR 19,118,663.40 and interests of EUR 4,414,954.84 outstanding at 30 June 2022);

(xvii) 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 (principal of EUR 10,220,853.39 and interests of EUR 5,640,426.87 outstanding at 30 June 2022);

(xviii) interest-bearing loan facility agreement dated 22 September 2016 between Studentenwohnheim Prager Strasse GmbH and STH (principal of EUR 12,249,857.56 and interests of EUR 1,105,476.16 outstanding at 30 June 2022); and

(xix) loan between Studentenwohnheim Prager Strasse GmbH and ST Leipzig S.à r.l., with first payment made on 31 August 2015 (principal of EUR 3,470,645.85 and interests of EUR 0.00 outstanding at 30 June 2022).

The Contributions will be completed to the extent the conditions precedent referred to in Chapter 2.3.1.1 of this Securities Note are fulfilled.

7.2. Valuation of the Contributions, Issue Price and total amount of New Shares

7.2.1 Valuation of the Contributions

As set out under Chapter 2.3.1.2 of this Securities Note, the Contributions Consideration amounts to:

(i) in favour of STH, EUR 330,000,000; and

(ii) in favour of E2H, EUR 339,600,000,

in each case subject to customary adjustments for cash, debt (excluding the Shareholder Loans) and net working capital as at the Closing Date and after deduction of the STH W&I Costs and the E2H W&I Costs, respectively.

The Contributions Consideration is, for what concerns the Contributed Companies, based on, among others, the following agreed valuations of the Properties owned by the Contributed Companies:

(i) EUR 30,780,000 for the Łódź I Property;

(ii) EUR 40,750,000 for the Katowice Property;

(iii) EUR 37,400,000 for the Łódź II Property;

(iv) EUR 42,420,000 for the Leipzig Property;

(v) EUR 28,300,000 for the Potsdam Property;

(vi) EUR 150,350,000 for the Lyngby Student Property;

(vii) EUR 149,950,000 for the Aarhus Properties;

(viii) EUR 113,750,000 for the Malmö Property; and

(ix) EUR 75,900,000 for the South Campus Property,

in each case as reported by CBRE, acting as external valuer of the Company as defined by the Royal Institution of Chartered Surveyors (RCIS) Valuation – Global Standards (2022) and within the meaning of Article 24 of the Law on Regulated Real Estate Companies. The Company engaged CBRE to value the Properties owned by the Contributed Companies as at 30 April 2022 for purposes of the Transaction (on the basis of Market Value as defined by the Royal Institution of Chartered Surveyors (RCIS) Valuation – Global Standards (2022)) and as at 30 August 2022 (on the basis of Fair Value in accordance with IFRS 13) for purposes of the Prospectus. The valuation report of CBRE for purposes of the Prospectus dated 1 September 2022 is set out in Annex IV of this Securities Note.

The estimated value of the Contributions for purposes of the Capital Increase and the issue of New Shares, prior to the deduction of the STH W&I Costs and the E2H W&I Costs, therefore amounts to:

(i) for all the shares of each Contributed Company, the value of the Property owned by such Contributed Company, as adjusted for the estimated cash, debt (including the relevant Shareholder Loan (if any)) and net working capital of such Contributed Company as at the Closing Date; and

(ii) for the receivable of each Shareholder Loan, the principal and interests outstanding upon contribution.

Such estimated value of the Contributions, calculated in accordance with the Share Contribution Agreement as disclosed in this Securities Note, will be announced in a press release on the Company website on or shortly prior the Closing Date. The final value of the Contributions will be subsequently announced in a press release on the Company website after the Closing Date following agreement between the Company, STH and E2H on the actual figures of cash, debt and net working capital of the Contributed Companies as at the Closing Date and settlement of any difference with the estimated figures in cash in accordance with the Share Contribution Agreement.

7.2.2 Issue Price

The Issue Price is fixed at EUR 44.

The Issue Price is 9% higher than the closing price of the Share on the Euronext Brussels regulated market on 31 August 2022 (which was EUR 40.30).

Part of the Issue Price per New Share, which is the Shares' accounting par value of EUR 18, will be allocated to the Company's share capital. The part of the Issue Price exceeding the accounting par value of the New Shares will be entered as the issue premium.

Besides the Issue Price, STH and E2H will have to pay all applicable stock exchange taxes and fees (see Chapter 6.6 of this Securities Note).

7.2.3 Total amount of New Shares

The number of New Shares to be issued to STH and E2H on Closing will be determined by dividing the Estimated Contributions Consideration by the Issue Price or:

(i) in respect of STH, by dividing the STH Estimated Contributions Consideration by the Issue Price; and

(ii) in respect of E2H, by dividing the E2H Estimated Contributions Consideration by the Issue Price.

The number of New Shares issued on Closing will be announced in a press release on the Company website on or shortly prior to the Closing Date.

The Board of Directors has decided that the Listing will be for a maximum amount of 6,800,000 New Shares, which corresponds to the expected Estimated Contributions Consideration increased by a reasonable buffer, *divided* by the Issue Price.

7.3. Approval by the Board of Directors and convening of extraordinary general meeting

On 25 April 2022, the Board of Directors approved the Transaction, including the Contributions.

On 12 August 2022, the Board of Directors approved the reports prepared by it in accordance with Articles 7:179, §1, al. 1 and 7:197, §1, al. 1 of the BCCA, describing the Contributions and their valuation, justifying the Issue Price, presenting the impact of the issue of the New Shares on the situation of the Existing Shareholders, and setting out why the Contributions are in the interest of the Company. It further approved the report prepared by it in accordance with Article 7:199 of the BCCA regarding the Authorised Capital.

The Board of Directors also acknowledged the reports prepared by the Statutory Auditor in accordance with Articles 7:179, §1, al. 2 and 7:197, §1, al. 2 of the BCCA regarding the Contributions and the issue of the New Shares.

The Board of Directors then decided to convene the extraordinary general meeting of the Company on 15 September 2022 or, if the required quorum would not be reached at such first extraordinary general meeting, on 6 October 2022.

7.4. Share exchange and effects of the Contributions

On Closing, in remuneration of the Contributions and against the delivery of all the shares of the Contributed Companies to it, the Company will issue the New Shares to STH and E2H. See Chapters 6.3 and 6.4 for more information on the issue and the delivery of the New Shares.

7.5. Rights attached to the New Shares

With the exception of the fact that the New Shares 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 have the same rights as the Existing Shares. See Chapters 6.1.1 and 6.7 for a description of the rights attached to the New Shares.

7.6. Dilution resulting from the Contributions and issue of New Shares

On the date of this Securities 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.

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. See Chapter 7.2.3 for more information on the number of New Shares to be issued.

The following table presents the ownership of the Existing Shares immediately prior to the completion of the Contributions[9] and the ownership of the Shares immediately after the completion of the Contributions (before the Secondary Sale, if any) assuming an issue of 6,678,590 New Shares based on an Estimated Contributions Consideration of EUR 293,857,981 calculated on 9 August 2022:

	Before the Capital Increase	**After the Capital Increase**
Aloxe NV – Christian Teunissen & Frederik Snauwaert	17.29%	13.96%

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[9] Based on the most recent transparency declarations and excluding any future acquisition of Shares.

AXA Investment Managers S.A.[10]	6.28%	5.07%
STH	0%	9.71%
E2H	0%	9.54%%
Free float	76.43%	61.72%
Total	100%	100%

Further description of the dilution resulting from the Contributions and the issue of New Shares (including the impact on the net asset value of the Shares and on the Existing Shareholders) is not provided in this Securities Note as this Securities Note does not constitute an offer to buy, subscribe to or sell the New Shares.

8. ADMISSION TO TRADING

8.1. Admission to trading

The Prospectus has been prepared for the purpose of the Listing of the New Shares pursuant to and in accordance with Article 6 and following of the Prospectus Regulation, up to a maximum of 6,800,000 New Shares. No offering of the New Shares is made and no one has taken 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.

A request for the New Shares' admission to trading on the regulated market of Euronext Brussels will be made prior to Closing. It is expected that the New Shares will be admitted to trading on Euronext Brussels when the markets open on the Effective Date.

Coupon no. 21, which represents the right to a proportionate dividend for the current financial year starting from 1 January 2022 (inclusive) up to and excluding the Closing Date will, in principle, be detached from the Existing Shares on the day prior to Closing (after the end of trading) (see also Chapter 6.7.1.1 of this Securities Note), so the Existing Shares will be traded ex-coupon no. 21 at the start of trading.

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

8.2. Place of listing

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

8.3. Holders of Shares looking to sell their Shares

The Prospectus only concerns the issue of New Shares, so no Shares wil be offered for sale in connection with it.

As set out under Chapter 2.3.1.6, STH and E2H may decide to place all or a portion of the New Shares by way of the Secondary Sale, which would be done without the Company's involvement. 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.

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[10] AXA Investments Managers S.A. does the transparency notification as controlling entity for AXA Investment Managers Paris S.A., AXA Real Estate Investment Managers S.A. and AXA Real Estate Investment Managers SGP.

If all or a portion of the New Shares are placed by way of the Secondary Sale, the Company's reference shareholder, Aloxe NV, has the intention to participate as a buyer in this possible private placement of the New Shares.

8.4. Expenses of the Company

The cost of the Company's issue of New Shares is estimated at approximately KEUR 5,000 and consists of the fees payable to the FSMA and Euronext Brussels, ING Belgium's fees, other advisers' fees, the translation cost, the cost of providing the Prospectus, legal and administrative expenses and publication costs.

9. RECENT DEVELOPMENTS AND TRENDS

9.1. Recent Company developments after the close of the financial year 2021

9.1.1 Key events in the first semester of 2022 (until 30 June 2022)

For an overview of key events during the first semester of 2022, the Company refers to:

(i) Chapter 5.6 of the Registration Document; and
(ii) Chapter 2.3.1 of the Company's full half-yearly financial report for the six-month period ended 30 June 2022, published on 5 August 2022 and incorporated by reference in this Securities Note (see Chapter 4.11 of this Securities Note).

9.1.2 Key events after the closing of the first semester of 2022 (after 30 June 2022)

For an overview of key events after the closing of the first semester of 2022, the Company first to Chapter 2.3.2 of the Company's full half-yearly financial report for the six-month period ended 30 June 2022, published on 5 August 2022 and incorporated by reference in this Securities Note (see Chapter 4.11 of this Securities Note).

9.2. Trends and forecast

9.2.1 Trends

For the main trends that have affected the Company since the beginning of the financial year 2022 and may reasonably have a significant impact on the Company's forecast, reference is made to the Risk Factors included under Chapter 1.1 of this Securities Note and to the description of the trends in the real estate market under Chapter 8.1 of the Registration Document for the sake of completeness.

For the main trends that have affected the Target Companies since the beginning of the financial year 2022 and may reasonably have a significant impact on the Company's forecast, reference is made to the Risk Factors included under Chapter 1.2 of this Securities Note.

Between the date of the last interim financial statements and the date of this Securities Note, there have been no significant changes in the Company's financial performance. See also the post balance sheet events in Chapter 5.6 of the Registration Document and Chapter 5.9.11 of the Company's full half-yearly financial report for the six-month period ended 30 June 2022, published on 5 August 2022 and incorporated by reference in this Securities Note (see Chapter 4.11 of this Securities Note).

9.2.2 Company forecast for the current financial year 2022 and for the financial year 2023

The Board of Directors prepared the following outlook and profit forecast, which replaces the previous outlook and profit forecasts published in the Registration Document, in the press release regarding the Transaction published on 30 May 2022, and in the Company's full half-yearly financial report for the six-month period ended 30 June 2022, published on 5 August 2022 and incorporated by reference in this Securities Note (see Chapter 4.11 of this Securities Note), which are therefore no longer valid, in order to establish the expectations for the financial years 2022 and 2023, taking into account the Transaction and the operational trends identified so far, using a basis that is comparable to the historical financial information. The budget for 2022 and 2023 was drawn up taking into account the current occupancy rate and an estimate of the future occupancy rate based on the past (including 2021).

The accounting basis used for the forecasts is consistent with the accounting methods used by the Company in preparation of its consolidated accounts as at 31 December 2021 in accordance with IFRS as implemented by the European Union and the Royal Decree on Regulated Real Estate Companies.

This forecast was based on the information available as at 30 June 2022 and takes into account post balance sheet events if these exist. These are listed in Chapter 9.1 of this Securities Note. This forecast has been prepared and drawn up on a basis that is comparable with the historical financial information and in accordance with the Company's valuation rules.

The actual development of the forecast of the consolidated EPRA earnings depends on the evolution of the economy, financial markets and property markets. The Company's prospective information, projections, convictions, opinions and estimates regarding the expected future performance of the Company and the market in which it operates are not a Company commitment. By nature, prospective statements involve inherent risks, uncertainties and assumptions, both general and specific, and there is a risk that the prospective statements will not be achieved.

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

- The evolution of the property markets in Belgium, the Netherlands, Spain, Portugal, Poland, Germany, Denmark and Sweden, particularly the student housing markets;

- Future demand for student rooms, which is affected by factors such as the number of 18-to-25-year-olds, the number of higher education enrolments, even better access to higher education for all, the quality of education, the number of foreign students, the enrolment fee and students' decisions to live at home or in student accommodation. This evolution may have an impact on the rental income or the valuation of the portfolio as determined by the Valuation Expert (as defined in the Registration Document);

- The regional legislation imposing a number of health, safety and living standards requirements; and

- The evolution of inflation, the interest rates and bank margins.

9.2.2.1 Hypotheses for the 2022 profit forecast

<u>Accounting methods used</u>

The accounting basis used for this forecast is consistent with the accounting methods used by the Company in preparation of its consolidated accounts as at 31 December 2021 in accordance with IFRS as implemented by the European Union and the Royal Decree on Regulated Real Estate Companies.

<u>Hypotheses with regards to elements that cannot be impacted by the Company directly</u>

- The calculation of the evolution of rental income did not take inflation into account. The Company took this cautious approach because it cannot always increase its rental income to reflect inflation. The rental income estimates took into account the current occupancy rate and assessed the future occupancy rate based on the past.

- The property tax was based on historic figures (if available) or management estimates using similar buildings. The property tax may be affected by changes in the legislation. Property tax on retail spaces is fully charged to the tenant, unlike property tax on student housing, which cannot be charged to the tenants and is fully charged to the RREC's result.

- The listing expenses (such as the "subscription tax", the fee for Euronext Brussels and FSMA expenses) are estimated based on the going market rates, which the RREC does not control.

- The net rental income may be affected if a significant number of tenants fail to pay their rent or if the planned occupancy level is not achieved. The established net rental result for 2022 took into account 0.5% non-recoverable receivables, which were historically estimated at 0.3%. The occupancy rate is expected to be similar to the occupancy rate of 2021 for the Company properties. For the Properties, the net operating income (NOI) guarantee was taken into account.

- Financial hedging instruments (IRSs) are valued at market value in accordance with IFRS (IAS 39). Given the volatility of the international financial markets, changes in these market values were not taken into account. These changes are also irrelevant to the forecast in terms of the EPRA earnings, on which dividend distribution is based.

- The investment property is valued at the Fair Value in accordance with IFRS (IAS 40). However, no predictions are made in terms of any changes in the fair value of the investment property, as these would be unreliable and subject to a number of external factors beyond the Company's control. These changes are also irrelevant to the forecast in terms of the EPRA earnings, on which dividend distribution is based.

- The Company assumes the legal, regulatory and fiscal framework that applies on the date of this Securities Note to determine the forecasts.

Hypotheses with regards to elements that can be impacted by the Company directly

New acquisitions

- The profit forecast takes into account as yet unidentified acquisitions of MEUR 50, with a conservatively estimated gross return.

Net rental result

- This result was estimated based on the current contracts. For new buildings, an estimate of the expected rental income was made based on market knowledge. The occupancy of 2022 is expected to be similar to the occupancy rate of 2021. For the Properties, the net operating income (NOI) guarantee was taken into account to build up the forecast.

- If the Company received a rental guarantee upon acquisition of the property, it was included in the calculation of the result.

- An estimate was made in the budget for doubtful debts. This is a percentage of the rental income and was determined based on historical information and a future estimate. 0.5% non-recoverable receivables, which were historically estimated at 0.3%, were taken into account for 2022.

Property charges

- These costs mainly include the costs of maintenance and repairs, insurance, property taxes which are not passed on to students, direct student-focused publicity, vacancy costs in the case of structural vacancy, property management and Valuation Experts' fees. For 2022, they were estimated based on the current portfolio and the expected new acquisitions.

Overheads

- Overheads include the Company's internal operating expenses, which are management fees, director fees, costs of the administrative personnel, liability insurance expenses, office expenses, depreciation and installation costs.

- They also include the estimated expenses for external consultants, solicitors, tax experts, accounting and IT and the Statutory Auditor’s fee.

- For a listed company, the overheads also include the annual taxes for the RREC, fees owed to the financial agent and liquidity provider, Euronext Brussels listing fees, expenses with regard to the prudential monitoring of RRECs and the budget for financial communication. Only the costs of financial communications can be influenced by the Company.

- The overheads were estimated based on the overheads incurred in 2021, including an increase in overheads as a result of the Company's further growth and the acquisition of the BaseCamp Group.

Interest charges

- The estimate of the interest charges is based on the evolution of the financial debt starting from the current situation as at 31 December 2021 and an estimate of the additional debt to finance the investment programme implemented in 2022. The interest charges are budgeted per contract based on the financing agreements concluded.

Taxes

- The taxes include the annual corporation tax. The tax base in Belgium is almost zero thanks to the fiscal transparency enjoyed by the Company. The payable corporation tax mainly relates to tax on income from the Dutch permanent establishment, the Dutch subsidiaries, the Spanish and Portuguese subsidiaries, the Polish subsidiaries, the German subsidiaries and the Danish subsidiaries. This calculation is based on the applicable corporate tax rates.

9.2.2.2 Hypotheses for the 2023 profit forecast

<u>Accounting methods used</u>

The accounting basis used for this forecast is consistent with the accounting methods used by the Company in preparation of its consolidated accounts as at 31 December 2021 in accordance with IFRS as implemented by the European Union and the Royal Decree on Regulated Real Estate Companies.

<u>Hypotheses with regards to elements that cannot be impacted by the Company directly</u>

- The calculation of the evolution of rental income did not take inflation into account. The Company took this cautious approach because it cannot always increase its rental income to reflect inflation. The rental income estimates took into account the current occupancy rate and assessed the future occupancy rate based on the past.

- The property tax was based on historic figures (if available) or management estimates using similar buildings. The property tax may be affected by changes in the legislation. Property tax on retail spaces is fully charged to the tenant, unlike property tax on student housing, which cannot be charged to the tenants and is fully charged to the RREC’s result.

- The listing expenses (such as the “subscription tax”, the fee for Euronext Brussels and FSMA expenses) are estimated based on the going market rates, which the RREC does not control.

- The net rental income may be affected if a significant number of tenants fail to pay their rent or if the planned occupancy level is not achieved. The established net rental result for 2023 took into account 0.5% non-recoverable receivables, which were historically estimated at 0.3%. The occupancy rate is expected to be similar to the occupancy rate of 2021 for the Company properties. For the Properties, the net operating income (NOI) guarantee was taken into account.

- Financial hedging instruments (IRSs) are valued at market value in accordance with IFRS (IAS 39). Given the volatility of the international financial markets, changes in these market values were not taken into account. These changes are also irrelevant to the forecast in terms of the EPRA earnings, on which dividend distribution is based.

- The investment property is valued at the Fair Value in accordance with IFRS (IAS 40). However, no predictions are made in terms of any changes in the fair value of the investment property, as these would be unreliable and subject to a number of external factors beyond the Company's control. These changes are also irrelevant to the forecast in terms of the EPRA earnings, on which dividend distribution is based.

- The Company assumes the legal, regulatory and fiscal framework that applies on the date of this Securities Note to determine the forecasts.

- Assumption is made that the BaseCamp Acquisition and the BGA Acquisition are completed in 2023.

Hypotheses with regards to elements that can be impacted by the Company directly

Net rental result

- This result was estimated based on the current contracts. For new buildings, an estimate of the expected rental income was made based on market knowledge. The occupancy of 2023 is expected to be similar to the occupancy rate of 2021-2022. For the Properties, the net operating income (NOI) guarantee was taken into account to build up the forecast.

- If the Company received a rental guarantee upon acquisition of the property, it was included in the calculation of the result.

- An estimate was made in the budget for doubtful debts. This is a percentage of the rental income and was determined based on historical information and a future estimate. 0.5% non-recoverable receivables, which were historically estimated at 0.3%, were taken into account for 2023.

Property charges

- These costs mainly include the costs of maintenance and repairs, insurance, property taxes which are not passed on to students, direct student-focused publicity, vacancy costs in the case of structural vacancy, property management and Valuation Experts' fees. For 2023, they were estimated based on the current portfolio and the expected new acquisitions.

Overheads

- Overheads include the Company's internal operating expenses, which are management fees, director fees, costs of the administrative personnel, liability insurance expenses, office expenses, depreciation and installation costs.

- They also include the estimated expenses for external consultants, solicitors, tax experts, accounting and IT and the Statutory Auditor's fee.

- For a listed company, the overheads also include the annual taxes for the RREC, fees owed to the financial agent and liquidity provider, Euronext Brussels listing fees, expenses with regard to the prudential monitoring of RRECs and the budget for financial communication. Only the costs of financial communications can be influenced by the Company.

- The overheads were estimated based on the overheads incurred in 2021/HY1 2022, including an increase in overheads as a result of the Company's further growth and the acquisition of the BaseCamp Group.

Interest charges

- The estimate of the interest charges is based on the evolution of the financial debt starting from the current situation as at 31 December 2021 and an estimate of the additional debt to finance the investment programme implemented in 2022 and 2023. The interest charges are budgeted per contract based on the financing agreements concluded.

Taxes

- The taxes include the annual corporation tax. The tax base in Belgium is almost zero thanks to the fiscal transparency enjoyed by the Company. The payable corporation tax mainly relates to tax on income from the Dutch permanent establishment, the Dutch subsidiaries, the Spanish and Portuguese subsidiaries, the Polish subsidiaries, the German subsidiaries and the Danish subsidiaries. This calculation is based on the applicable corporate tax rates.

9.2.2.3 Profit forecast

The profit forecast has been prepared and drawn up on a basis that is comparable with the historical financial information and in accordance with the Company's accounting policy.

Barring unforeseen circumstances, the Company's target for its EPRA earnings per Share is EUR 2.07 for the financial year 2022, which represents a 15% increase compared to 2021, with a dividend per share target of EUR 1.66 gross per share (a 15% increase compared to 2021), and EUR 2.38 for the financial year 2023, which represents a 15% increase compared to 2022, with a dividend per share target of EUR 1.90 gross per share (a 14% increase compared to 2022). This estimate is, of course, subject to the results and approval by the ordinary general meeting of the Company for the financial year ended 31 December 2022 and 31 December 2023, respectively. The Company therefore expects a healthy increase in its EPRA earnings per Share compared to the previous year for the financial years 2022 and 2023.

The 2022 profit forecast takes into account as yet unidentified acquisitions of MEUR 50, with a conservatively estimated gross return.

If the BGA Acquisition would be delayed within 2023, then the EPRA earnings per Share would be impacted proportionally and EPRA earnings per Share as projected post-Transaction would be between EUR 2.38 and EUR 2.35 for the financial year 2023.

If the BGA Acquisition is not completed by the Company, the EPRA earnings per Share as projected post-Transaction to 2.07 EUR/share for 2022 and 2.38 EUR/share for 2023 are expected to decrease to 2.34 EUR/share for 2023 (a 13% increase compared to 2022) (no decrease for 2022 as the BGA Acquisition is not expected before 2023).

10. DEFINITION OF KEY TERMS

Aachen Property	Has the meaning set out in Chapter 2.4.11.4.
Aarhus Properties	Has the meaning set out in Chapter 2.4.10.4.
ABB	Accelerated bookbuild.
Articles of Association	The Company's articles of association, as amended from time to time.
Audited Special Purpose Combined Financial Information of BaseCamp Combined	Has the meaning set out in Chapter 5.5.1.3.
Audited Special Purpose Financial Information (trial balances) of the PropCo Entities and Blue Gate Aachen	Has the meaning set out in Chapter 5.5.1.3.
Audited Statutory Financial Statements of the PropCo Entities	Has the meaning set out in Chapter 5.5.1.3.
Authorised Capital	Has the meaning set out in Chapter 2.2.2.
BaseCamp	BaseCamp Group Ltd.
BaseCamp Acquisition	Has the meaning set out in the front pages.
BaseCamp Audit Working Papers	Has the meaning set out in Chapter 5.5.1.3.
BaseCamp Auditor	Haines Watts Kingston LLP.
BaseCamp Board	The board of directors of BaseCamp.
BaseCamp Call Option	The Company's call option under the Option Agreement to acquire all the shares of BaseCamp from the BaseCamp Shareholders.
BaseCamp Closing Date	Has the meaning set out in Chapter 2.2.1.
BaseCamp Closing OpCos	BaseCamp Group, excluding the Danish OpCos and BC Skovbrynet Residential ApS.
BaseCamp Combined	The Danish OpCos and the BaseCamp Closing OpCos.
BaseCamp Earn-Out Shareholders	Mr Armon Bar-Tur, Mr Amnon Bar-Tur and Mr Andreas Junius (as sellers of shares of BaseCamp), all private individuals.
BaseCamp Group	Has the meaning set out in Chapter 2.4.1.1.

BaseCamp Postponed Closing Date	Has the meaning set out in Chapter 2.2.1.
BaseCamp Postponed Remuneration Date	Has the meaning set out in Chapter 2.2.1.
BaseCamp Put Option	The BaseCamp Shareholders' put option under the Option Agreement to require the Company to acquire all their shares of BaseCamp.
BaseCamp Shareholders	Mr Armon Bar-Tur, Mr Amnon Bar-Tur, Mr Andreas Junius and Mr David Justin Hamer (as sellers of all the shares of BaseCamp), all private individuals.
BaseCamp W&I Costs	The BaseCamp Shareholders' portion of the costs of the W&I Insurance Policies.
BCCA	Belgian Code on Companies and Associations.
BGA Acquisition	Has the meaning set out in the front pages.
BGA Closing Date	Has the meaning set out in Chapter 2.2.1.
BGA Consideration	Has the meaning set out in Chapter 2.3.4.
BGA Shareholder Loan	The shareholder loan granted by E2H to Blue Gate Aachen under the interest-bearing loan facility agreement dated 22 October 2021 between Blue Gate Aachen and E2H.
Blue Gate Aachen	Blue Gate Aachen GmbH.
Board of Directors	Board of directors of the Company.
Capital Increase	The capital increase of the Company by way of contribution in kind of (i) all the shares of the Contributed Companies held by their shareholders, and (ii) the receivables of the Shareholder Loans.
Carved-Out Entities	BaseStack GmbH, BaseStack Sp. z o.o., BaseCamp Dortmund GmbH, BaseCamp Student Operations Sp. z o.o. and BaseCamp Student Sp. z o.o.
CBRE	CBRE Limited, with registered address at Henietta House, Henrietta Place, London W1G 0RE, United Kingdom.
CDJD	CDJD Invest ApS, a limited liability company incorporated under the laws of Denmark.
Closing	The Capital Increase and issue of the New Shares.

Closing Date	The date of the extraordinary general meeting of the Company to be convened on the date of this Securities Note and to be held on 15 September 2022, or, if the required quorum could not be reached at such first extraordinary general meeting, on 6 October 2022.
Code on Various Duties and Taxes	Code on Various Duties and Taxes of 2 March 1927.
Company's Coordinated Articles of Association	Has the meaning set out in Chapter 4.11.
Contributed Companies	ST Łódź Rewolucji 1905 Sp. z o.o., ST Katowice Krasińskiego Sp. z o.o., ST Łódź Rembielińskiego 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.
Contributions Consideration	Has the meaning set out in Chapter 2.3.1.2.
Contributions	The contribution to the capital of the Company of all the shares in the Contributed Companies and the receivables of the Shareholder Loans.
Corporate Governance Charter	The Company's corporate governance charter, as adjusted for the Transaction and conditional on Closing and published on the Company website.
C-Suite	Has the meaning set out in Chapter 2.4.1.8.
Danish OpCo Shareholder Loan	The loan granted to BaseCamp Student Operations ApS by its majority shareholder (in principal and interests outstanding upon acquisition).
Danish OpCos	BaseCamp Student Operations ApS and BaseCamp Student Real Estate ApS.
Danish OpCos Acquisition	Has the meaning set out in the front pages.
Danish OpCos Consideration	Has the meaning set out in Chapter 2.3.2.2.
Danish Planning Act	Consolidated Act no. 1157 of 1 July 2020, Planning Act (*Planloven*).
Delegated Regulation 2019/979	Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a

	prospectus, and the notification portal, and repealing Delegated Regulation (EU) 382/2014 and Commission Delegated Regulation (EU) 2016/301.
Delegated Regulation 2019/980	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Regulation (EC) 809/2004.
Delegated Regulations	Delegated Regulation 2019/979 and Delegated Regulation 2019/980.
Development Properties	The Malmö Property and the Aarhus Properties.
E2H	A limited liability company incorporated under the laws of the Grand Duchy of Luxembourg and a fully owned subsidiary of ESHF II.
E2H Estimated Contributions Consideration	Has the meaning set out in Chapter 2.3.1.2.
E2H W&I Costs	E2H's portion of the costs of the W&I Insurance Policies and the Title Insurance Policy.
Earn-Out Amount	Two subsequent gross considerations of up to (in aggregate) EUR 34,000,000.
Earn-Out Shares	Has the meaning set out in Chapter 2.3.3.2.
Earn-Out VWAP	Has the meaning set out in Chapter 2.3.3.2.
Effective Date	The day after the Closing Date.
ESHF I	European Student Housing Fund.
ESHF II	European Student Housing Fund II.
Estimated Contributions Consideration	Has the meaning set out in Chapter 2.3.1.2.
Estimated Exercise Price	Has the meaning set out in Chapter 2.3.3.2.
Executive Committee	The executive committee to be established on Closing in accordance with the Corporate Governance Charter (as adjusted for the Transaction and conditional on Closing).
Exercise Price	Has the meaning set out in Chapter 2.3.3.2.

Exercise Price Shares	Has the meaning set out in Chapter 2.3.3.2.
Existing Shareholders	The holders of Existing Shares.
Existing Shares	The 28,011,322 Shares that already existed before the New Shares were issued.
Fair Value	The investment value as determined by an independent property expert less the transaction fees (see BE-REIT Association press release of 10 November 2016). The Fair Value corresponds to the book value under IFRS (or “Fair Value” of the investment property (IAS 40.5)).
First Earn-Out Opportunities	Has the meaning set out in Chapter 2.3.3.2.
FSMA	Financial Services and Markets Authority.
Income Tax Code 1992	Income Tax Code 1992 of 10 April 1992.
ING Belgium	ING Belgium, a public limited company under Belgian law, with its registered office at Avenue Marnix/Marnixlaan 24, 1000 Brussels, entered in the Crossroads Bank for Enterprises under enterprise number VAT BE 0403.200.393 (Brussels Register of Legal Entities).
Investment Advisor Agreements	Has the meaning set out in Chapter 1.2.3.5.
Issue Price	The issue price of the New Shares on Closing, i.e. EUR 44.
Katowice Property	Has the meaning set out in Chapter 2.4.7.4.
Law on Regulated Real Estate Companies	The Belgian Law of 12 May 2014 on regulated real estate companies as amended from time to time, particularly by the Law of 22 October 2017 amending the Law on Regulated Real Estate Companies.
Legislation on Regulated Real Estate Companies	The Law on Regulated Real Estate Companies and the Royal Decree on Regulated Real Estate Companies.
Leipzig Property	Has the meaning set out in Chapter 2.4.4.4.
Listing	The listing and admission to trading on the regulated market of Euronext Brussels of the New Shares.
Łódź I Property	Has the meaning set out in Chapter 2.4.5.4.
Łódź II Property	Has the meaning set out in Chapter 2.4.6.4.
LTIP	The long-term incentive plan, forming part of the revised remuneration policy of the Company (contained in the

	Corporate Governance Charter as adjusted for the Transaction and conditional on Closing), agreed between the Company and Mr Armon Bar-Tur and to be proposed for approval to the extraordinary general meeting of the Company to be held on the Closing Date, which (i) is consistent with the Legislation on Regulated Real Estate Companies, (ii) ensures involvement of Mr Armon Bar-Tur, and (iii) is open to the members of the Executive Committee.
Lyngby Residential Property	Has the meaning set out in Chapter 2.4.1.4.
Lyngby Student Property	Has the meaning set out in Chapter 2.4.2.4.
Majority Share Purchase Agreement	The first share purchase agreement regarding the acquisition of 80% of the shares of the Danish OpCos dated 30 May 2022, as amended on 2 September 2022 and as further amended from time to time, and entered into between (i) the Company (as purchaser of the shares of the Danish OpCos); and (ii) BaseCamp (as seller of the shares of the Danish OpCos).
Malmö Property	Has the meaning set out in Chapter 2.4.9.4.
Minority Share Purchase Agreement	The second share purchase agreement regarding the acquisition of 20% of the shares of the Danish OpCos dated 2 September 2022, as amended from time to time, and entered into between (i) the Company (as purchaser of the shares of the Danish OpCos); and (ii) CDJD (as seller of the shares of the Danish OpCos).
New Shares	The Shares issued in the context of the Capital Increase.
Option Agreement	The option agreement dated 30 May 2022, as amended from time to time, and entered into between (i) the Company (as purchaser and beneficiary of the contribution of all the shares of BaseCamp), and (ii) the BaseCamp Shareholders (as sellers of all the shares of BaseCamp), all private individuals.
PBSA	Purpose-built student accommodation.
Potsdam Property	Has the meaning set out in Chapter 2.4.3.4.
PropCo Entities	BC Skovbrynet Residential ApS and the Contributed Companies.
Properties	The Łódź I Property, the Katowice Property, the Łódź II Property, the Leipzig Property, the Potsdam Property, the Lyngby Student Property, the Lyngby Residential Property, the South Campus Property, the Aarhus

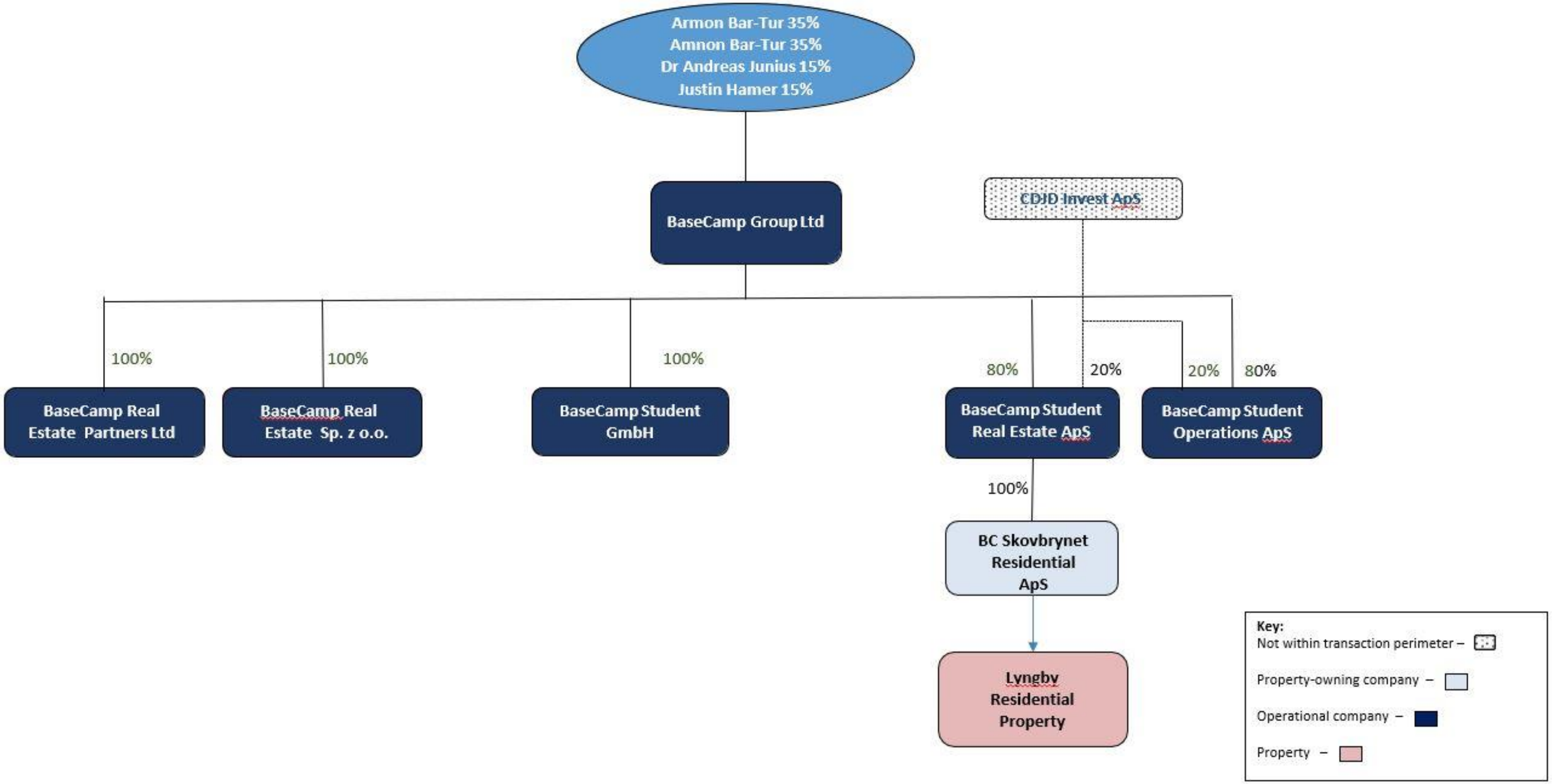
	Properties, the Malmö Property and the Aachen Property.
Prospectus	Has the meaning set out in the front pages.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended.
Public RREC	Public regulated real estate company under Belgian law.
Registration Document	The Company's annual financial report published on 19 April 2022 serving as registration document of the Company in accordance with the Prospectus Regulation and which was approved by the FSMA on 13 September 2022.
Risk Factors	Has the meaning set out in Chapter 1.
Royal Decree implementing the Income Tax Code 1992	Royal Decree of 27 August 1993 implementing the Income Tax Code 1992.
Royal Decree of 14 November 2007	Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.
Royal Decree on Regulated Real Estate Companies	The Belgian Royal Decree of 13 July 2014 regarding regulated real estate companies, as amended from time to time.
RREC	Regulated real estate company under Belgian law governed by the Law of 12 May 2014 and the Royal Decree of 13 July 2014.
Secondary Sale	Has the meaning set out in Chapter 2.3.1.6.
Securities Note	This document, which was drawn up in accordance with Annex 12 of the Delegated Regulation 2019/980 for the purpose of this Listing and the admission of the New Shares to the Euronext Brussels regulated market for trading and which was approved by the FSMA on 13 September 2022.
Share Contribution Agreement	The share contribution agreement dated 30 May 2022, as amended on 4 August 2022 and as further amended from time to time, and entered into between (i) the Company (as purchaser and beneficiary of the Contributions); (ii) STH (as seller of all the shares of ST Łódź Rewolucji 1905 Sp. z o.o., ST Katowice

	Krasińskiego Sp. z o.o., ST Łódź Rembielińskiego Sp. z o.o., Studentenwohnheim Prager Strasse GmbH, ST Potsdam S.à r.l. and ST Skovbrynet Student ApS); and (iii) E2H (as seller of all the shares of ESHF 2 Aarhus Residential ApS, ESHF 2 Aarhus Student ApS, BC Student Malmö AB and ESHF 2 Birketinget ApS).
Share Purchase Agreements	The Majority Share Purchase Agreement and the Minority Share Purchase Agreement.
Shareholder Approval Condition	Has the meaning set out in Chapter 2.3.1.1.
Shareholder Loans	The loans granted by the shareholders of the Contributed Companies to the Contributed Companies (in principal and interests outstanding upon contribution).
Shareholder Resolutions	Has the meaning set out in Chapter 2.3.1.1.
Shareholders	The holders of Shares issued by the Company.
Shares	The shares that represent the capital with voting rights and with no par value issued by the Company.
Side Letters	Has the meaning set out in Chapter 1.2.3.5.
Solvgade Property	Has the meaning set out in Chapter 2.4.1.1.
South Campus Property	Has the meaning set out in Chapter 2.4.8.4.
Statutory Auditor	PwC Bedrijfsrevisoren / Reviseurs d'Entreprises, a private company incorporated under Belgian law with its registered office at Culliganlaan 5, 1831 Diegem, Belgium, with company number 0429.501.944 (Brussels Register of Legal Entities, Dutch-language), registered with the Institute of Statutory Auditors and represented by Jeroen Bockaert, auditor.
STH	A limited liability company incorporated under the laws of the Grand Duchy of Luxembourg and fully owned subsidiary of ESHF I.
STH Estimated Contributions Consideration	Has the meaning set out in Chapter 2.3.1.2.
STH W&I Costs	STH’s portion of the costs of the W&I Insurance Policies and the Title Insurance Policy.
Summary	The Prospectus summary approved by the FSMA on 13 September 2022.

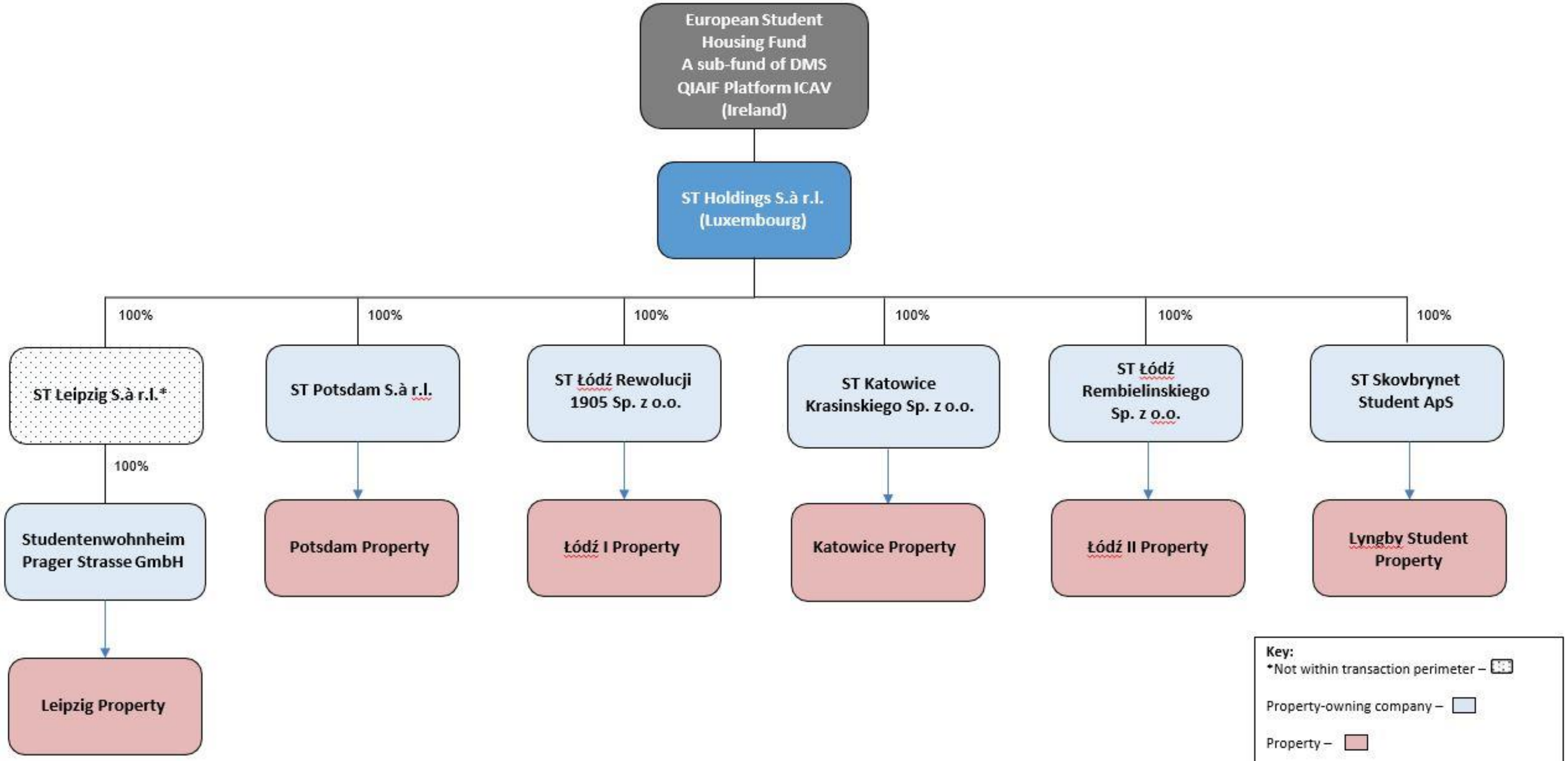
Takeover Law	Belgian Law of 1 April 2007 on public takeover bids.
Target Companies	The Contributed Companies, the Danish OpCos, BaseCamp and Blue Gate Aachen.
Title Insurance Policy	Has the meaning set out in Chapter 2.2.3.5.
Transaction	Has the meaning set out in the front pages.
Transferring Employees	Has the meaning set out in Chapter 2.3.2.3.
U.S. Securities Act	The U.S. Securities Act of 1933 (as amended from time to time).
Unaudited *Pro forma* Financial Information	The unaudited *pro forma* financial information set out in Chapter 5.5.
Valuation Expert	Has the meaning given to it in the Registration Document.
VWAP	Volume-weighted average price.
W&I Insurance Policies	Has the meaning set out in Chapter 2.2.3.5.
Xior Student Housing, Xior or Company	Xior, a public limited company under Belgian law and Public RREC with its registered office at Frankrijklei 64-68, 2000 Antwerp, Belgium and entered in the Antwerp Register of Legal Entities under number 0547.972.794.

ANNEX I – STRUCTURE CHART OF THE TARGET COMPANIES AND PROPERTIES

BaseCamp Group

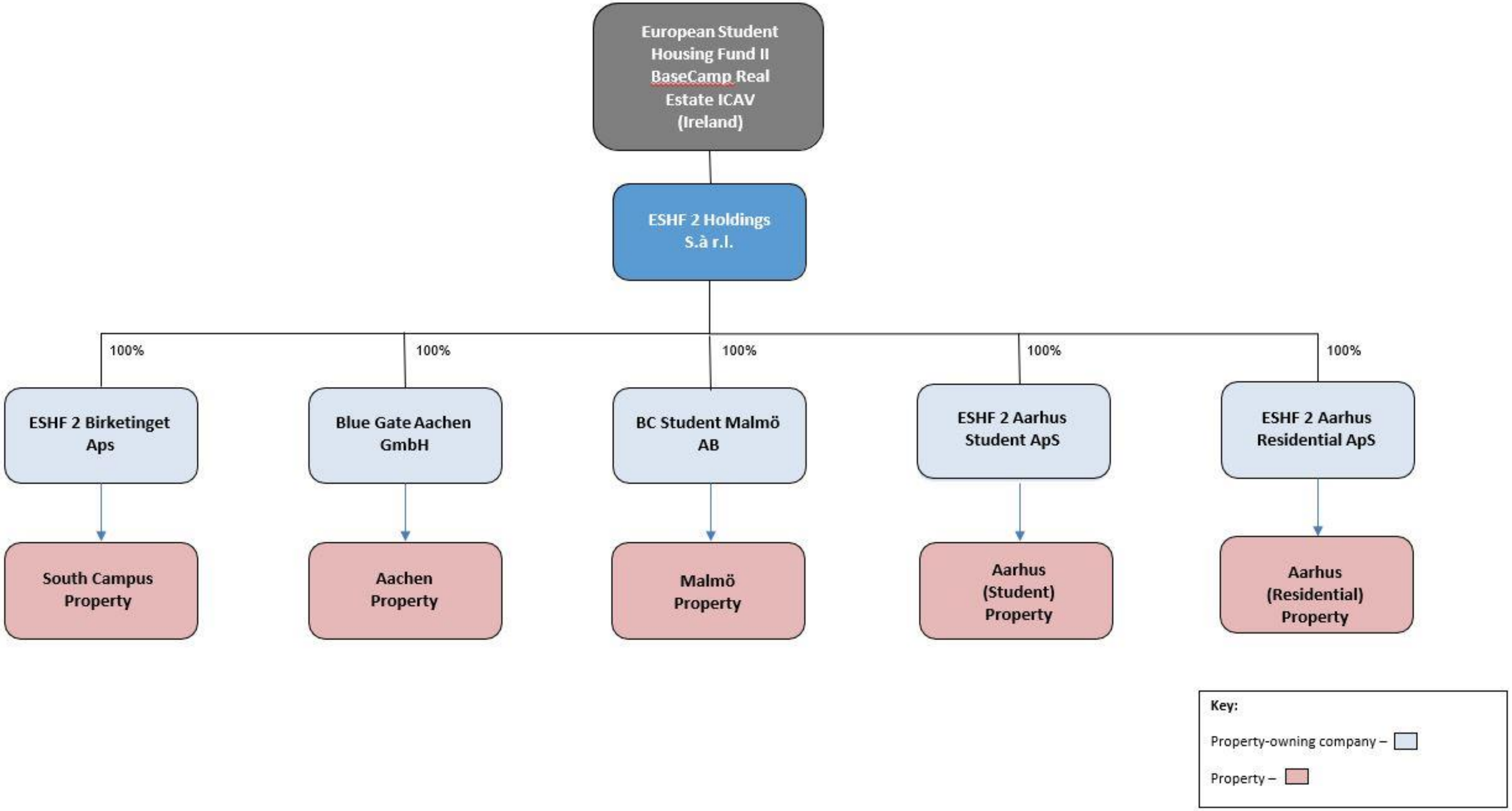


ESHF I



European Student Housing Fund A sub-fund of DMS QIAIF Platform ICAV (Ireland)
ST Holdings S.à r.l. (Luxembourg)
100%
ST Leipzig S.à r.l.*
100%
Studentenwohnheim Prager Strasse GmbH
Leipzig Property
ST Potsdam S.à r.l.
Potsdam Property
ST Łódź Rewolucji 1905 Sp. z o.o.
Łódź I Property
ST Katowice Krasinskiego Sp. z o.o.
Katowice Property
ST Łódź Rembielinskiego Sp. z o.o.
Łódź II Property
ST Skovbrynet Student ApS
Lyngby Student Property
Key:
*Not within transaction perimeter –
Property-owning company –
Property –

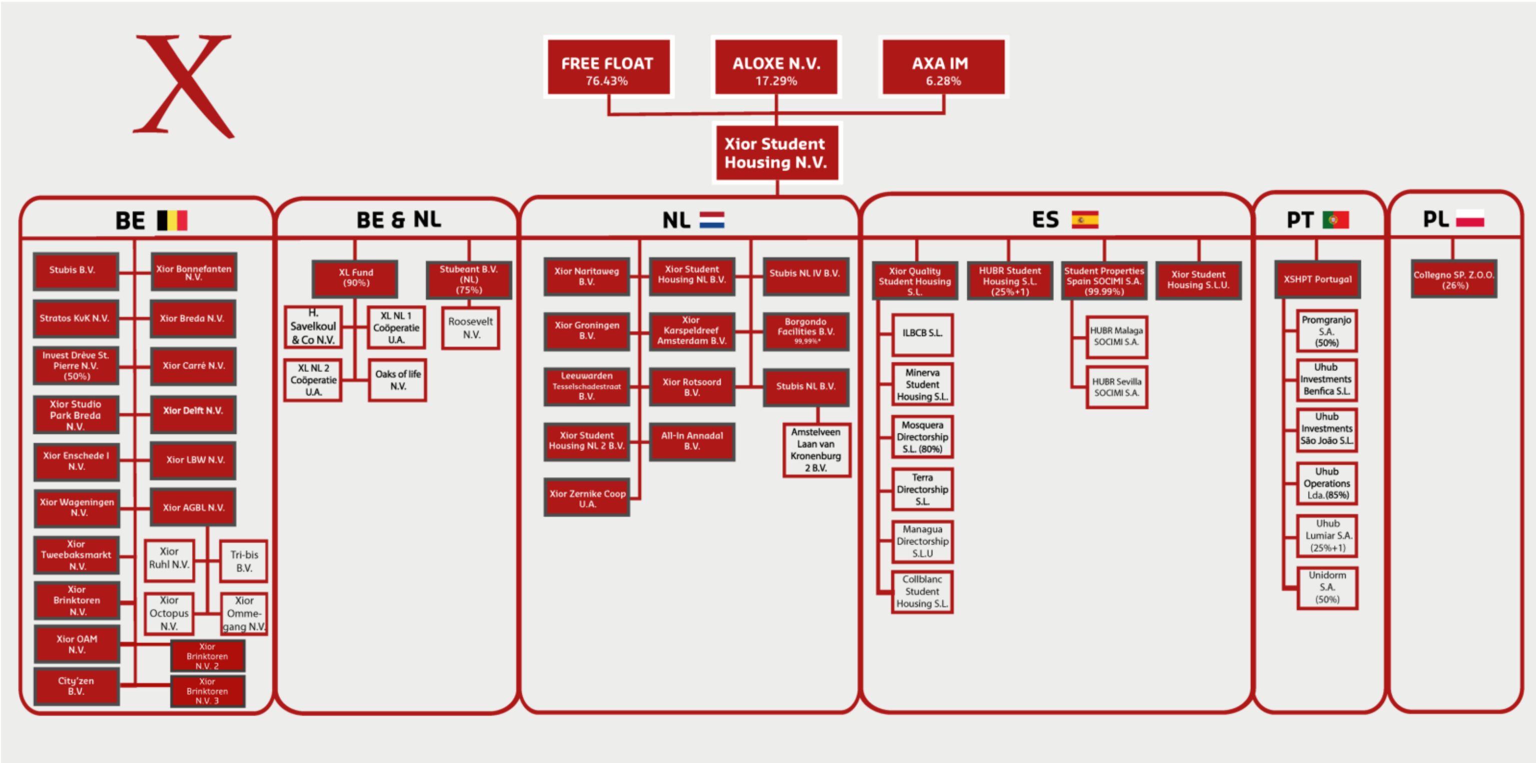
ESHF II


European Student Housing Fund II BaseCamp Real Estate ICAV (Ireland)
ESHF 2 Holdings S.à r.l.
100%
100%
100%
100%
100%
ESHF 2 Birketinget Aps
Blue Gate Aachen GmbH
BC Student Malmö AB
ESHF 2 Aarhus Student ApS
ESHF 2 Aarhus Residential ApS
South Campus Property
Aachen Property
Malmö Property
Aarhus (Student) Property
Aarhus (Residential) Property
Key:
Property-owning company –
Property –

ANNEX II – GENERAL CORPORATE INFORMATION ON THE TARGET COMPANIES

Target Company	Jurisdiction of incorporation	Date of incorporation	Company form	Company registration number
BaseCamp Group Ltd (previously Safeharbor Triton Ltd)	England and Wales	9 March 2015	Private company limited by shares	09478772
BaseCamp Student Operations ApS	Denmark	23 June 2015	Private limited company	36934085
BaseCamp Student Real Estate ApS	Denmark	22 March 2017	Private limited company	38511432
ST Skovbrynet Student ApS	Denmark	2 June 2017	Private limited company	38684159
ST Potsdam S.à r.l.	Grand Duchy of Luxembourg	3 November 2015	Private limited liability company (*société à responsabilité limitée*)	B201571
Studentenwohnheim Prager Strasse GmbH	Germany	29 September 2014	Limited liability company (*Gesellschaft mit beschränkter Haftung*)	HRB 219334 B
ST Łódź Rewolucji 1905 Sp. z o.o.	Poland	20 March 2015	Limited liability company	0000559040
ST Łódź Rembielińskiego Sp. z o.o.	Poland	17 November 2016	Limited liability company	0000663027
ST Katowice Krasińskiego Sp. z o.o.	Poland	17 February 2016	Limited liability company	0000604188
ESHF 2 Birketinget ApS	Denmark	9 November 2017	Private limited company	39076691
BC Student Malmö AB	Sweden	20 May 2019	Limited liability company	559208-5285
ESHF 2 Aarhus Residential ApS	Denmark	22 June 2017	Private limited company	38769421
ESHF 2 Aarhus Student ApS	Denmark	13 February 2008	Private limited company	31330238
Blue Gate Aachen GmbH	Germany	26 October 2012	Limited liability company (*Gesellschaft mit beschränkter Haftung*)	HRB 221619 B

ANNEX III – STRUCTURE CHART OF THE COMPANY AND ITS SUBSIDIARIES



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

ANNEX IV – VALUATION REPORT OF CBRE ON THE PROPERTIES FOR PURPOSES OF THE PROSPECTUS

(*see following pages*)

CBRE Limited
St Martin's Court
10 Paternoster Row
London EC4M 7HP

Switchboard +44 20 7182 2000
Mobile +44 7939 015514
Email Joanne.winchester@cbre.com

01 September 2022

VALUATION REPORT PREPARED BY

CBRE LIMITED

HENRIETTA HOUSE

LONDON

WIG 0RE

Valuation Date: 30 August 2022

In respect of:

BaseCamp Portfolio

On behalf of:

Xior Student Housing NV

<u>Contents</u>

CBRE

VALUATION REPORT PREPARED BY CBRE LTD

INTRODUCTION

Report Date	1 September 2022
Valuation Date	30 August 2022
Addressee	Xior Student Housing NV Frankrijklei 64-68, 2000 Antwerp Belgium (hereinafter referred to as “Xior” or the “Company”)

THE PROPERTIES

The Properties	The properties held in the BaseCamp Portfolio, as set out in the Schedule of Values below.
Instruction	To value the unencumbered Freehold-Equivalent or Perpetual Usufruct interests in the properties on the basis of Fair Value and the properties at Aarhus, Malmo additionally on the basis of Market Value under Special Assumptions (as further set out below) as at the Valuation Date in accordance with Terms of Engagement entered into between CBRE and the Addressee dated 31 August 2022.
Status of Valuer	You have instructed us to act as an External valuer as defined in the current version of the RICS Valuation – Global Standards and independent valuation expert in accordance with Article 24 of the Belgian Law on Regulated Real Estate Companies (*Loi Relative aux Sociétés Immobilières Réglementées*). Please note that the Valuation may be investigated by the RICS for the purposes of the administration of the Institution’s conduct and disciplinary regulations in order to ensure compliance with the Valuation Standards.
Purpose and Basis of Valuation	We understand that our valuation report and the Appendices to it (together the “Valuation Report”) is required for inclusion in a Prospectus (the “Prospectus”) which is to be published by Xior pursuant to the proposed listing and admission to trading of new shares in the Company on the regulated market of Euronext Brussels. In accordance with the RICS Valuation - Global Standards we have made certain disclosures in connection with this valuation instruction and our relationship with Xior. The effective date of valuation is 30 August 2022. **The Valuation is on the basis of:** • Fair Value in accordance with IFRS 13, and • For the properties at Aarhus and Malmo in addition Market Value under Special Assumptions (as further set out below). Valuation Currency: as instructed, the valuations are reported in Euros. In respect of the properties in Denmark, Poland and Sweden, the properties have been valued in the local currency and the valuations converted to Euros at the 30 August 2022 National Bank of Belgium exchange rates

as at the valuation date as provided by Xior. These are set out in the table below:

	Exchange Rate
DKK/Euro	7.4376
SEK/Euro	10.65
PLN/Euro	4.7323

Fair Value (IFRS 13)

€653,780,369 (SIX HUNDRED AND FIFTY-THREE MILLION, SEVEN HUNDRED AND EIGHTY THOUSAND, THREE HUNDRED AND SIXTY-NINE EUROS) exclusive of VAT, as shown in the Schedule of Capital Values set out below.

We confirm that Fair Value as defined in IFRS13 is effectively the same as Market Value.

Our opinion of Fair Value is based upon the Scope of Work and Valuation Assumptions attached and has been primarily derived using comparable recent market transactions on arm's length terms.

We are required to show the split of values between freehold-equivalent and perpetual usufruct property, and to report the following categories of property separately.

	Freehold-equivalent	Perpetual Usufruct	Total
Investment Assets (8)	€427,027,363 (6)	€68,676,965 (2)	€495,704,328
Assets Under Development (2)	€158,076,041	€0	€158,076,041
Total	**€585,103,404**	**€68,676,965**	**€653,780,369**

There are no negative values to report.

Market Value under Special Assumptions (Gross Development Value) of Properties at Aarhus and Malmo

€755,522,295 (SEVEN HUNDRED AND FIFTY-FIVE MILLION, FIVE HUNDRED AND TWENTY-TWO THOUSAND, TWO HUNDRED AND NINETY-FIVE EUROS) exclusive of VAT, as shown in the Schedule of Capital Values set out below.

Market Value under Special Assumption that the development of the properties was completed but the schemes are not stabilised yet. Our Market Value under Special Assumption reflects capital deduction for a loss of income during a stabilisation period.

Market Conditions – Global Volatility

We would draw your attention to the fact that a combination of global inflationary pressures, higher interest rates, the recent geopolitical events in Ukraine and the ongoing impact of the global COVID-19 pandemic in

	some markets has heightened the potential for greater volatility in property markets over the short-to-medium term. Past experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. You should note that the conclusions set out in this report are only valid as at the valuation date. Where appropriate, we would recommend that the valuation is closely monitored, as we continue to track how market participants respond to current market volatility.
Portfolios and Aggregation	We have valued the properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.
SVPs and other Indirect Investment Structures	Where a property is owned through a special purpose vehicle (SV) or other indirect investment structure, our Valuation represents the 100% value of the whole property, values as real estate, assuming full management control. Our Valuation therefore is unlikely to represent the value of the interests in the indirect investment structure through which the property is held. Our Valuation does not necessarily represent the ‘Fair Value’ in accordance with IFRS 13 of the interests in the indirect investment structure through which the property is held.
Report Format	Appendix A of this Valuation Report contains the Property Details and Schedule of Values. Appendix B provides the Sources of Information and Scope of Works. Appendix C provides Valuation Assumptions. This Valuation Report consists of 26 pages, including the Appendices.
Risk Factors for Student Accommodation as an Asset Class	**Income and Occupancy** Student Housing is an income-driven property investment asset class. There are various letting models, including leases to universities, nomination agreements and lettings directly to students through an operator (‘direct-let model’). The majority of the income from the portfolio is secured on rents paid directly by students as the properties are let on a direct-let model. The main risk to income is the occupancy level. During the period of the recent pandemic, a number of the schemes in the portfolio showed lower level of occupancy and therefore the income from the assets was affected. Post pandemic, based on the information provided to us by BaseCamp we understand that the properties were well let during the first part of 2022 when universities went back to teaching in person. The two Polish assets which were opened during 2021, LODZ II and Katowice, showed relatively low occupancy at 80% and 30% to students, respectively. BaseCamp adopted strategy to let the remaining rooms to Ukrainians displaced from the refugee crisis through a number of corporate contracts. In addition, apart from full-time students the schemes can be also let to young professionals. **Operational Costs and Costs of Utilities**

	Costs of running the properties, including maintenance, on-site staff, insurance, marketing and letting administration are borne by the landlord. In addition to the day to day running costs operators will normally charge a management fee. In a number of countries, PBSA rents also include costs of utilities as the properties are let on 'all-inclusive rents'. In the current economic climate with increasing energy prices this all-inclusive model represents a risk to the level of net income from the individual investment property assets due to energy costs. However, within the portfolio the operational model in Poland and Germany allows for the utilities to be re-charged to the individual tenants and thus reducing this risk. However, utilities costs for the common parts of the schemes are borne by the landlord and this remains an area of the risk unless utilities prices are fixed.
Valuation Methodology – Operational Assets	In valuing the properties, we have made key assumptions in respect of matters including, but not limited to, estimated rental values and expected future rental revenues from the property and market-based yields. In respect of development properties additional assumptions include, but are not limited to, the consented development, assumed timescales to completion, assumed future development costs and appropriate finance rates and profit rates. Such assumptions may prove in future to have been inaccurate, which could negatively affect the valuation of any of the properties. To arrive at the Fair Value of the student schemes we have derived the Market Rent by comparing the passing rent to comparable rental evidence and from this made an allowance for outgoings. We have then capitalised our estimate of net income using net initial yield based on comparable investment transactions, whilst also benchmarking the value per bedspace. We have inputted our valuation into a ten-year cashflow. Each individual cashflow has been prepared in the local currency of the country where an asset is located. On completion of the valuation, we have reflected all main inputs and outputs of the valuation in Euro applying exchange rates adopted as at 30 August 2022 based on the exchange rates by the National Bank of Belgium. Further explanation of the valuation components is set out below: **Term Time Rental Income** We adopt the room mix (number of each type) as provided to us by BaseCamp. We have reviewed and benchmarked against other market rents the proposed advertised rents for the 2022/2023 academic year as provided by BaseCamp. We then apply the rents at which we believe the scheme will achieve full occupancy. Very often these rents are the advertised rents, but occasionally we apply rents which are more or less than these when compared to the wider market. In Poland and Germany the rents quoted include VAT. The rents in our model have been adjusted for VAT. Our valuation model enables us to calculate the projected income for the next twelve months, weighted between academic years, which form the basis of our valuation. As the valuation date is 30 August 2022 the income in the valuation is based solely on the 2022/2023 rents.

We reflect the tenancy lengths achieved at each property and also local market norms for the country where a scheme is located.

We have assumed 97% or 98% occupancy as we are assuming rents at which the property will sell out.

The Company will benefit from Rent Guarantees from the Vendor parties, ST Holdings S.à r.l. (STH) and ESHF 2 Holdings S.à r.l. (E2H) as set out in the table below. Our valuation is based on our opinion of the net operating income based on stabilised occupancy (assuming 97% or 98% occupancy), but with the benefit of a rent guarantee which would be drawn upon to make good the income due to any occupancy shortfall.

Asset	Country	Guarantor	Period	Guarantee Euro/annum
Lodz I	Poland	STH	18 months	€1,773,852
Lodz II	Poland	STH	18 months	€2,313,345
Katowice	Poland	STH	18 months	€2,376,181
Potsdam	Germany	STH	18 months	€1,096,674
Leipzig	Germany	STH	18 months	€1,691,396
Lyngby	Demark	STH	18 months	€5,217,831
South Campus	Denmark	E2H	12 months	€2,569,437
Lyngby Residential	Denmark	BaseCamp Group Ltd	18 months	€2,648,273
Aarhus	Denmark	E2H	24 months from practical completion	€5,677, 514
Malmo	Sweden	E2H	24 months from practical completion	€4,193,966

Summer Income

With exception of the three Polish assets, other properties in the portfolio are let on 12-months lettings; therefore there is little summer income potential. However, where relevant we reflect an element of summer income potential. The Polish properties are let on 10-month contracts.

Additional Income

We have been provided by BaseCamp with data on the additional income from each operational assets in the portfolio which we have reflected in the valuation. In line with this information, we have included additional income derived from vending machines, the on-site launderette, income from additional cleaning offered to the students either during duration of their stay and/or on the departure and administration fee charged. Occasionally there may be other items such as parking spaces.

The term time rental income, summer income and additional income together form the gross rental income.

Market Rents

We have estimated the Market Rents based on comparable rental evidence. We have applied the market rents taking into account the macro and micro characteristics such as location of the property within each town together the size and specification of each room type.

Operational Costs

BaseCamp provided us with operational budgets for each operational asset in the portfolio. The operational budget provided include a BaseCamp management fee which, amongst other things, include salaries paid to the on-site staff as they are employed by BaseCamp.

We have adopted a different approach. We have instead included the staff salaries as provided by BaseCamp in the operating costs and added a separate, lower management fee.

Management Costs

We have adopted management costs which are in line with market levels, generally at 5% of the gross income from the property reflected in our valuation. Following the review, we were satisfied that the costs we have assumed in our valuation are a reasonable representation of what the market would assume in the event of a sale. The gross rental income minus the management costs are the net rental income.

Net Initial Yield

The key yield driver in our valuations is the net initial yield. We apply the net initial yield derived from comparable transactions to the net rental income. We provide an IRR calculation on our cash flows for illustrative purposes but it is not a key driver.

Rent and Costs Inflation

The student housing sector offers an annual opportunity for rental growth. We model long term rental growth in line with 10 year CPI forecast for the given country or CPI forecast plus 1% for the three Polish assets where rental growth is forecasted to be stronger due to the substantial supply demand imbalance in the Polish PBSA market.

We typically model long terms cost growth at CPI 10-year forecast for the given country.

One-off Capital Deductions for Capital Expenditure

In line with the information provided to us, we have not reflected any capital expenditure required to the assets for refurbishment or improvements. Annual maintenance of the property between tenants is reflected within operational costs, in line with the market norm. We have made a deduction from the capital value for any essential works to rectify defects.

Exit Yields

	Exit is assumed at the end of the 10-year cash flow period. Our exit yield is typically 50 basis points higher than the net initial yield applied. The exit yield is applied to the projected rental income at the end of the cash flow. We apply purchaser's costs and agency fees to the exit value, if applicable, depending on the valuation practice in a given country where an asset is located. Our exit value is included within our cashflow to enable an IRR calculation to be made. The IRR is a useful tool to help further benchmark our valuation but it is less of a valuation driver than the net initial yield or the capital value per bedspace. **Purchaser's Costs** We have made allowance in our valuations for purchaser's costs, if this is a valuation norm in a given country where an asset is located. In line with the market practice, we have not deducted purchaser's costs in the valuation of the assets located in Poland and Sweden. In Denmark and Germany, the purchaser's costs deducted are based on the level of real estate transfer tax in a given legal jurisdiction plus allowances for agents' and legal fees. **Commercial Units** Some of the schemes have ground floor commercial units and car parking. We value the units within our main valuation model using Excel. Typically, we apply an appropriate net initial yield to the existing income. Where a unit is vacant, we capitalise the rental value and allow for a letting void, rent free period and void costs. Where appropriate, we have deducted purchaser's costs.
Valuation Approach for Properties in Course of Development	In the case of development valuations, we would draw your attention to the fact that, even in normal market conditions, the residual method of valuation is very sensitive to changes in key inputs, with small changes in variables (such as the timing of the development, finance/construction costs and sales rates) having a disproportionate effect on land value. Consequently, in reference to the Market Conditions section above it is inevitable that there is even greater uncertainty, with site values being susceptible to much more variance than normal. **Valuation Methodology** Properties held for Development or in the Course of Development have been valued on the Residual (Development Appraisal) Method. This is the commonly practised method of valuing development property, whereby the estimated total costs of realising the proposed development (including construction costs, fees and other on-costs, contingencies, costs of finance and developer's profit) are deducted from the gross development value of the completed project at PC to determine the residual land value. For the development sites, we have calculated the projected Gross Development Values (GDVs) as outlined above. We have not allowed for rental growth between the valuation date and practical completion. As the development assets are in course of development and with work advanced on site we have adopted as the costs of construction the outstanding build costs as provided to us by BaseCamp. In addition, we

	have reflected a contingency as provided to us and costs of mobilisation of the scheme and marketing. These costs have been provided to us by BaseCamp in addition to the Monitoring Reports. Our residual valuation reflects the costs of finance at the level appropriate at each country where an asset is located. Our valuation targets profit margin allowance reflecting the state of the project and risk factors such as risk of a late completion considering whether the development is on schedule.
Compliance with Valuation Standards	The Valuation has been prepared in accordance with the latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the "Red Book") current as the Valuation Date. The valuations are compliant with the International Valuations Standards and in accordance with Prospectus Regulation ((EU) 2017 / 1129) and paragraphs 128 to 130 of the European Securities and Market Authority (ESMA) update of the Committee of European Securities Regulators' (CESR) recommendations for the consistent implementation of the European Commission regulation (EC) n. 809/2004 implementing the Prospectus Directive and as now applicable to the Prospectus Regulation ((EU) 2017 / 1129) (the "ESMA Update") and the Euronext Brussels stock exchange requirements The properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book. We confirm that we have sufficient local and national knowledge of the particular property market involved and have the skills and understanding to undertake the Valuation competently. Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book. This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject properties. Other valuers may reach different conclusions as to the value of the subject properties. This Valuation is for the sole purpose of providing the intended user with the valuer's independent professional opinion of the value of the subject properties as at the Valuation Date.
ESMA 130 (vi)	ESMA paragraph 130 (vi) requires us to comment on any differences between the valuation figure in this Valuation Report and the valuation figure included in the Company's latest published annual accounts, which was as at 31 December 2021. • The subject properties were not held by the Company as at 31 December 2021 and accordingly were not included in their annual accounts as at that date. • The valuations of the properties for BaseCamp as at 31 December 2021 were not undertaken by CBRE. Differences between the valuations as at 31 December 2021 and the present valuation may be attributable to a number of factors, including, but not limited to, rental and tenancy changes (including occupancy levels), capital expenditure and improvements (e.g. refurbishments), progressions of development schemes, market

	movement in the occupational and investment markets, and to the valuer having made different valuation assumptions.
Sustainability Considerations	Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. 'Sustainability' is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use. Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations. The European Union's "Sustainable Finance Disclosure Regulations" (SFDR) may impact on asset values due to the requirements in reporting to European investors.
Assumptions	The property details on which each Valuation are based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below. If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered.
Independence	The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from the Addressee (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues. It is not anticipated this situation will vary in the financial year to 31 December 2022. We confirm that we do not have any material interest in Company or the properties.
Previous Involvement and Conflicts of Interest	CBRE Indirect Investment Services Limited (CBRE IISL, trading as REIB), a wholly owned subsidiary of CBRE Limited, was engaged to advise BaseCamp on its strategic options, however CBRE IISL did not advise specifically on this transaction with Xior Student Housing NV. We confirm that CBRE Ltd provided a valuation to Xior of this portfolio for acquisition purposes dated 30 April 2022 in connection with this transaction. The valuation advice was provided with an information barrier in place between the valuation team and CBRE IISL This valuation for Stock Exchange purposes does not constitute a conflict of interest with the previous valuation dated 30 April 2022 as it is undertaken for the same client. Copies of our conflict of interest checks have been retained within the working papers.

Responsibility	We are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Valuation Report complies with Paragraphs 128 to 130 of the ESMA Update. Except for any responsibility arising under the above to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this Valuation Report or our statement, required by and given solely for the purposes of complying with the Prospectus Regulation ((EU) 2017 / 1129).
Reliance	Except as set out in "Responsibility" above, the contents of this Report may only be relied upon by: i) Addressees of the Report; and ii) Parties who have received prior written consent from CBRE in the form of a reliance letter; for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents. No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of Valuation.
Publication	Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear. Before this Valuation Report, or any part thereof, is disclosed orally or otherwise to a third party, CBRE's written approval of the form and context of such publication or disclosure must first be obtained. Such publication or disclosure will not be permitted unless where relevant it incorporates the Assumptions referred to herein. For the avoidance of doubt, such approval is required whether or not CBRE is referred to by name and whether or not the contents of our Valuation Report are combined with others. Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.

Yours faithfully Jo Winchester FRICS BSc (Hons) Executive Director RICS Registered Valuer For and on behalf of CBRE Limited Joanne.Winchester@cbre.com	Yours faithfully Ewa Scott MRICS MA Associate Director RICS Registered Valuer For and on behalf of CBRE Limited Ewa.scott @cbre.com

Appendix A - Property Details and Schedule of Values

Property Address	Description and Location	Tenure	No of beds	Gross Income	Net Income	Fair Value
OPERATIONAL ASSETS – STUDENT ACCOMMODATION						
Poland						
BaseCamp LODZ I, 45 Rewolucji 1905r. St., Lodz, 90-215	624 beds in 487 rooms, opened in November 2017. The property is in the city centre by the University of Lodz campus. The property has an additional 3,424 sq m of commercial space and 48 car parking spaces. Date of Inspection: 14 March 2022.	Perpetual usufruct until June 2089	624	€2,256,704	€ 1,488,425	€31,380,090
BaseCamp LODZ II, 16/18 Rembielinskiego St., Lodz, 93-575	631 beds with 2,007 sq m of commercial space let to Just Gym. The property is located with proximity to the city centre and Lodz University of Technology. The scheme opened in October 2020. Date of Inspection: 14 March 2022.	Perpetual usufruct until June 2089	631	€2,781,539	€1,894,448	€37,296,875
BaseCamp KATOWICE, 29 Krasinskiego St., Katowice, 40-272	733 beds (GIA 34,087 sq m) and three commercial units totalling 2,236 sq m. The property is in the city centre and became operational in October 2021. Date of Inspection: 4 March 2022	Freehold-equivalent	733	€3,252,262	€2,272,187	€42,357,839
Total: Poland			1,988	€8,290,505	€5,655,059	€111,034,803

Germany						
BaseCamp Potsdam, Kossätenweg 25, 14476 Potsdam	The scheme provides 263 rooms (GIA 10,131 sq m). It is located outside the city centre, 250 metres from the University of Potsdam Golm campus and 150 metres from the Max Planck Institute for Molecular Plant Physiology. There is good public transport from the asset to Potsdam city centre and Berlin available at Golm Bhf light-rail station (75 metres from the scheme). The scheme opened in October 2017. Date of Inspection: 9 March 2022.	Freehold-equivalent	263	€1,968,548	€1,117,802	€28,350,000
BaseCamp Leipzig, Prager Str. 53, 04317 Leipzig	412 beds in 385 rooms and a 28 space underground car park. The scheme opened in October 2018 and it is located 250 metres from the main Leipzig University campus, approximately 1.6km from the city centre. Date of Inspection: 9 March 2022	Freehold-equivalent	412	€2,776,808	€1,841,401	€45,960,000
Total: Germany			675	€4,745,356	€2,959,203	€74,310,000
Denmark						

BaseCamp Lyngby, Skovbrynet 2 and 2A, 2800 Kongens Lyngby (Student housing)	639 beds with 80 car parking spaces, located in Lyngby, a suburb of Copenhagen. The property is located 1.6 km from the Technical University of Denmark (DTU). The scheme opened in August 2020. The scheme is conjoined with Lyngby Residential (see below). Date of Inspection: 10 March 2022.	Freehold-equivalent	639	€7,200,510	€5,541,847	€155,895,719
BaseCamp South Campus, Birketinget 6, Copenhagen S	350-bed scheme (13,900 sq m) converted from an office block in January 2021. It is located to the south of Copenhagen city centre and located 400 m to the south campus of the University of Copenhagen and IT University of Copenhagen. Date of Inspection: 10 March 2022.	Freehold-equivalent	350	€3,690,198	€2,670,700	€77,180,811
Total: Denmark			989	€10,890,708	€8,212,547	€233,076,530
OPERATIONAL ASSETS – RESIDENTIAL						
BaseCamp Lyngby, Skovbrynet 4, 2800 Kongens Lyngby (Residential)	The property comprises an operational residential scheme of 147 residential units, comprising apartments of between one and four bedrooms which are let to a combination of students, seniors	Freehold-equivalent	147	€3,051,775	€2,467,250	€77,282,995

	and other renters. The scheme was opened in August 2020 and comprises a total of 12,055 sq m of residential accommodation and ancillary areas. Date of Inspection: 10 March 2022.					
Total Operational Assets			3,799	€26,978,343	€19,294,060	€495,704,328

DEVELOPMENT ASSETS						
	Description, Location, Key Valuation Assumptions	**Tenure**	**Planned No of beds**	**Gross Market Rent**	**Net Market Rent**	**Fair Value**
BaseCamp Aarhus, Helsingforsgade 4, Aarhus N, 8200, Denmark	On planned completion in August 2023, the property will comprise 663 student bedspaces (20,105 sq m), with 55 studios and 608 in clusters across two buildings, connected via an underground basement. In addition, there will be a 420 sq m retail unit on the ground floor and an 80-space car park under the building. The site is a 5-minute walk from Aarhus University. The city centre is within easy reach, either by bike or by public transport. Date of Inspection: 10 March 2022. Town planning / building permit	Freehold-equivalent	663	€7,163,219	€5,528,899	€77,983,145

	status: dated 27 September 2021 Stage of construction: foundations and frame in progress Key Valuation Assumptions: Timings: 12 months to completion Costs to completion (inc. finance): €56,207,941 Developer's profit: 10% of costs to spend GDV (completed and stabilised letting): €149,019,845					
BaseCamp Tåtplatsen, Einar Hansens Esplanad 10, 211 77 (Malmo, Sweden)	When completed, the scheme will provide a 583-bed PBSA scheme (20,492 sq m) with a commercial element of 83 sq m retail, 585 sq m storage and 31 car parking spaces. The scheme is part of a major development of the West Harbour area in central Malmo. The property is located a 10-minute walk from Malmo city centre and 1 km from Malmo University. The scheme is due to complete August 2023. Date of Inspection: 8 March 2022. Town planning / building permit status: in place, ref: Dp5450 Stage of construction: foundations,	Freehold-equivalent	583	€4,925,229	€3,814,032	€80,093,897

	frame and roof completed, façade in progress. Key Valuation Assumptions: Timings: 12 months to completion Costs to completion (inc. finance): €21,727,780 Developer's profit: 7.5% of costs to complete GDV (completed and stabilised letting): €110,798,122					
Total Development Assets			1,246	€12,088,448	€9,342,931	€158,076,041

Sensitivity Analysis for BaseCamp Aarhus, Helsingforsgade 4, Aarhus N, 8200, Denmark

		Gross Development Value				
		-10.00%	**-5.00%**	**0.00%**	**5.00%**	**10.00%**
	-10.00%	€ 67,889,780	€ 75,421,886	€ 81,609,470	€ 87,797,053	€ 93,984,634
	-5.00%	€ 67,476,136	€ 73,663,770	€ 79,851,356	€ 86,038,940	€ 92,226,523
Construction	**0.00%**	€ 65,718,032	€ 71,905,653	**€ 77,982,145**	€ 84,280,826	€ 90,468,410
	5.00%	€ 63,959,925	€ 70,147,496	€ 76,335,124	€ 82,522,710	€ 88,710,296
	10.00%	€ 62,201,814	€ 68,389,390	€ 74,576,958	€ 80,764,594	€ 86,952,180

Sensitivity Analysis for BaseCamp Tåtplatsen, Einar Hansens Esplanad 10, 211 77 (Malmo, Sweden)

		Gross Development Value				
		-10.00%	**-5.00%**	**0.00%**	**5.00%**	**10.00%**
	-10.00%	€ 71,468,260	€ 76,227,613	€ 80,986,965	€ 85,746,317	€ 90,505,668
Construction	**-5.00%**	€ 71,043,858	€ 75,803,211	€ 80,555,052	€ 85,321,916	€ 90,081,267
	0.00%	€ 70,619,424	€ 75,378,809	**€ 80,093,897**	€ 84,897,515	€ 89,656,866

5.00%	€ 70,195,027	€ 74,954,369	€ 79,713,761	€ 84,473,113	€ 89,232,465
10.00%	€ 69,770,628	€ 74,529,972	€ 79,289,359	€ 84,048,712	€ 88,808,064

Appendix B - Sources of Information and Scope of Works

Sources of Information	We have carried out our work based upon information supplied to us by the Company's professional advisors, as set out within this report, which we have assumed to be correct and comprehensive. Information Requested and Provided: • Tenancy Schedules: Provided by BaseCamp • Building Costs: Provided by BaseCamp • Project Timescale: Provided by BaseCamp • Floor plans: Where provided these came from BaseCamp • Monitoring Reports for developments: Aarhus and Malmo We requested but were not provided with: • Floor areas: Full areas were not provided. We were provided with room sizes and Gross Internal Areas by BaseCamp • Environmental reports: None Provided • Technical reports: None Provided • Legal reports: None Provided • Planning reports: None Provided
Inspection	The properties were inspected internally as per the list below: Lodz I - 14th March 2022 by Marta Pawluszewicz, CBRE Sp. z.o.o. Lodz II - 14th March 2022 by Marta Pawluszewicz, CBRE Sp. z.o.o. Katowice - 4th March 2022 by Marta Pawluszewicz, CBRE Sp. z.o.o. Potsdam - 9th March 2022 by Sandra Scholz, CBRE GmbH Leipzig - 9th March 2022 by Marcus Max, CBRE GmbH Lyngby Student - 10th March 2022 by Charles van den Berg, CBRE A/S South Campus - 10th March 2022 by Anders Krog, CBRE A/S Lyngby Residential - 10th March 2022 by Charles van den Berg, CBRE A/S Aarhus - 10th March 2022 by Peter Svendson, CBRE A/S Malmo - 8th March 2022 by Cissi Chong & Daniel Holmkvist, CBRE Sweden AB
Areas	We have not measured the properties but have relied upon the floor areas provided to us by you or your professional advisors, which we have assumed to be correct and comprehensive, and which you have advised us were calculated using the Gross Internal Area (GIA) as set out in the latest edition of the RICS Property Measurement Standards.

Environmental Considerations	We have not been instructed to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent, then nothing would be discovered sufficient to affect value. We have not carried out investigation into past uses, either of the property or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.
Services and Amenities	We understand that the properties are located in an area served by mains gas, electricity, water and drainage. None of the services have been tested by us.
Repair and Condition	We have not been provided with a building survey. However, CBRE have been instructed to undertake a Technical Due Diligence review of the portfolio. We recommend that this is made available to us at the earliest point.
Town Planning	We have not undertaken planning enquiries.
Titles, Tenures and Lettings	Details of title/tenure under which the properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser. We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants

Appendix C - Valuation Assumptions

Introduction	An Assumption is defined in the Red Book Glossary and Appendix 3 to be a "supposition taken to be true" (an "Assumption"). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation. The Company has confirmed and we confirm that our Assumptions are correct as far as the Company and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report. For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Fair Value under the Red Book.
Capital Values	The Valuation has been prepared on the basis of "Fair Value" in accordance with International Financial Reporting Standard 13 ("IFRS 13"), which is defined as: "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." "Fair Value", for the purpose of financial reporting under IFRS 13, is effectively the same as "Market Value", which is defined in the Red Book as: "The estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal. No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge. No account has been taken of the availability or otherwise of capital based Government or European Community grants.
Taxation, Costs and Realisation Costs	As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal. Our valuations reflect purchasers' statutory and other normal acquisition costs.

VAT	All rents and capital values stated in this report are exclusive of VAT.
Gross Rents	Gross Rents in our valuation is based on the Market Rents (adjusted for VAT in Poland and Germany) charged by BaseCamp for academic year 2022/2023. In this income we have also included our estimate of vacation income and additional income streams and a passing income from commercial units.
Net Annual Rent	We calculate the Actual Net Rental Income by deduction of the operational costs based on the operational budgets provided to us by the Company from the Gross Rents.
Rental Values	Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows: "The estimated amount for which an interest in real property should be leased on the Valuation Date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."
Fixtures, Fittings and Equipment	Items of plant and machinery normally considered as landlord’s fixtures such as lifts, escalators, air conditioning, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuation. Furthermore, a number of items that normally might be regarded as tenant’s fixtures and fittings - such as trade appliances, furniture and equipment - as well as soft goods considered necessary to generate the turnover and profit, are included in our valuation of the property. The vacant possession valuation assumes that properties are available for sale including all fixtures and fittings. We understand that fixtures, machinery and equipment are either owned, leased or under contract. We have made no adjustment to reflect the net present value of meeting any existing lease contracts in respect of the equipment. Unless stated otherwise within this report, we have assumed that any such leasing costs are reflected in the trading figures supplied to us, and that all trade fixtures and fittings essential to the running of the property as an operational entity would be capable of transfer as part of a sale of the building, and any necessary third party consents obtained. All measurements, areas and ages quoted in our report are approximate.
Environmental Matters	In the absence of any information to the contrary, we have assumed that: a) the properties are not contaminated and are not adversely affected by any existing or proposed environmental law;

	b) any processes which are carried out on the properties which are regulated by environmental legislation are properly licensed by the appropriate authorities; c) the properties possess or will possess current Energy Performance Certificates as required under the relevant Government Directives. d) the properties are either not subject to flooding risk or, if they are, sufficient flood defences are in place and appropriate building insurance could be obtained at a cost that would not materially affect the capital value; and e) invasive species such as Japanese Knotweed are not present on the properties. High voltage electrical supply equipment may exist within, or in close proximity of, the properties. The UK's National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the properties. Our Valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.
Repair and Condition	In the absence of any information to the contrary, we have assumed that: a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the properties; b) the properties are free from rot, infestation, structural or latent defect; c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, ACM Cladding, High Alumina Cement (HAC), Asbestos, have been used in the construction of, or subsequent alterations or additions to, the properties; and d) the services, and any associated controls or software, are in working order and free from defect. We have otherwise had regard to the age and apparent general condition of the properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
Title, Tenure, Lettings, Planning, Taxation and Statutory & Local Authority Requirements	Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that: a) the properties possess a good and marketable title free from any onerous or hampering restrictions or conditions; b) the buildings have been erected either prior to planning control, or in accordance with planning permissions, and have

	the benefit of permanent planning consents or existing use rights for their current use; c) the properties are not adversely affected by town planning or road proposals; d) the buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations, and a fire risk assessment and emergency plan are in place; e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the properties to comply with the relevant disability discrimination legislation; f) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal; g) tenants will meet their obligations under their leases; h) there are no user restrictions or other restrictive covenants in leases which would adversely affect value; i) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; j) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and k) where relevant, real estate transfer tax will apply at the rates currently applicable.

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