

Xior announces capital increase via accelerated private placement

EPS guidance 2024: minimum 2.20 EUR

Update divestment program



Issuance of up to 2,609,636 New Shares via an accelerated private placement to institutional investors

Reasons for the Offering

Net proceeds of the Offering will be used to:

- Acquire the fully operational and fully let residence Lumiar in Lisbon in its entirety and to start the development of Boavista in Porto with a total investment value for both residences of c. MEUR 81 at an initial gross yield of c. 9 %¹. The cash out at present is c. MEUR 26.4;
- Repay on the short term for c. MEUR 51.5 of debt. Including the expected realisation of c. MEUR 48 of the total divestment program², this leads to a fundamental strengthening of the balance sheet with an expected reduction of the pro forma LTV of c. 3.12% from 54.91% per 30 September 2023 to c. 51.80% per 31 December 2023. After realisation of the remaining committed disposals (c. MEUR 62) and budgeted capex in Q1 2024, the expected pro forma LTV (taking into account the operating result) will further reduce to c. 50.7% in Q1 2024.

Key details of the accelerated private placement

- Capital increase by way of the issuance of up to 2,609,636 new shares (the "**New Shares**") via an exempt accelerated private placement with composition of an order book to institutional investors (the "**ABB**" or the "**Offering**").
- The reference shareholder Aloxe NV has expressed its intention to submit an order of MEUR 3 without guaranteed allocation and at the final issue price.
- In the context of this intended capital increase Xior reaffirms its previously announced EPS forecast for financial year 2023 of EUR 2.20 and thus the intended gross DPS of EUR 1.76, which both increased 6.3% compared to 2022.
- Moreover, as a result of the increase in earnings following the acquisition of Lumiar, the delivery of c. 3,500 new student rooms in 2023 & 2024 and the record like-for-like rental growth confirming the pricing power of student housing, Xior expects to be able to realise an EPS of minimum EUR 2.20 for the financial year 2024, taking into account c. MEUR 110 of divestments, increased interest rates and including the full amount of New Shares of this intended capital increase.

¹ Thanks to earlier agreements with partner Uhub.

² Subject to timely finalisation of disposals planned in Q4 2023 and limited variations in valuations per 31 December 2023.



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- No detachment of coupon: the New Shares will be issued with coupon N°24 and following attached and therefore will be entitled to profits as from 25 April 2023.
- ABN AMRO Bank N.V., in corporation with ODDO BHF SCA, and KBC Securities are acting as Joint Global Coordinators and Belfius Bank N.V. in cooperation with Kepler Cheuvreux S.A., BNP Paribas Fortis and Natixis are acting as Joint Bookrunners in this transaction. ING is acting as Advisor to the Company.

Xior's core focus remains long term balance sheet discipline

- Circa one third of the MEUR 340 divestment program, announced on 26 October 2023, was realised totalling c. MEUR 110 to date.
- Proceeds of divestments will be used to repay the bridge loan which has a positive effect on financing costs, on covenants and on hedge ratio.
- Xior remains committed towards further reduction of the LTV to below 50% by further execution of the divestment program and by actively pursuing a strategic JV partnership.

1. Offering

The Company is launching a capital increase through the issuance of up to 2,609,636 New Shares placed via an exempt accelerated private placement with composition of an order book to institutional investors (the "**ABB**" or the "**Offering**").

The ABB will commence immediately after the publication of this press release. Xior has therefore requested the suspension of trading of the Xior share on the regulated market of Euronext Brussels until publication of the results of the ABB. Subject to extension, the order book will close today, on 13 December 2023. The results of the ABB will be published in a press release which is expected on or around 14 December 2023.

2. Rationale for the Offering and use of proceeds

The Company intends to use the net proceeds of the Offering for the following purposes:

1. Fund the acquisition of Lumiar and start the development of Boavista

- Fully acquire the recently completed, fully operational and fully let (100 % occupancy) residence Lumiar with 498 units located in Lisbon with a total investment value of c. MEUR 39 at an initial investment gross yield of c. 9%. The acquisition value for the takeover of the remainder 75% amounts to c. MEUR 15.9. The current valuation of Lumiar in finished condition is already c. MEUR 47.8 whereby the development capital gain will be recognised at the time of acquisition.
- Start the development of Boavista in Porto, a residence with c. 532 units. The development will start in Q1 2024 and completion is expected in Q1 2026. Total investment value amounts to c. MEUR 42 at an initial investment gross yield of c. 9%. The initial investment amounts to c. MEUR 10.5 (for the acquisition of 25%) and the remainder is to be paid upon completion and delivery of the residence.
- Residences Lumiar and Boavista will further strengthen Xior's presence in its second home market Iberia.

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Lumiar – Lisbon



Boavista – Porto

2. Strengthen balance sheet and reduce LTV

The expected reduction on the short term of debt by c. MEUR 51.5 leads to a reduction of the pro forma LTV by c. 3.12% from 54.91% per 30 September 2023 to c. 51.80% per 31 December 2023, taking into account the full amount of New Shares of this intended capital increase and the expected realisation of c. MEUR 48 of the total divestment program³. After realisation of the remaining committed disposals (c. MEUR 62) and budgeted capex in Q1 2024, the expected pro forma LTV (taking into account the operating result) will further reduce to c. 50.7% in Q1 2024.

Confirmation of outlook including the Offering and new guidance

In the context of this intended capital increase, Xior reaffirms its previously announced EPS forecast of EUR 2.20 (+ 6.3% from 2022) and thus the intended gross DPS of EUR 1.76 (+ 6.3% from 2022). Xior maintains its projections of an increase in its results per share compared to the previous year, despite the fact that the number of shares is expected to have increased by c. 37.6% in the course of 2022 and 2023.

As a result of the increase in earnings following the Lumiar acquisition, the delivery of c. 3,500 new student rooms in 2023 & 2024 and the record like-for-like rental growth confirming the pricing power of student housing, Xior expects to realise an EPS of minimum EUR 2.20 for financial year 2024, taking into account c. MEUR 110 of divestments, increasing interest rates and including the full amount of New Shares of this intended capital increase. This outlook is based on current knowledge and situation and in the context of the currently volatile macroeconomic environment with increased interest rates.

3. Update on financing, divestment program and pipeline

Financing update

Xior's maturing debt in Q1 2024 is covered by repayment, extension and roll-over of maturities:

- Successful negotiations with ABN AMRO Bank N.V. have resulted in an agreement for the extension of the bridge loan until September 2024 for MEUR 200. As a result of the ABB (if successful), this will be reduced to MEUR 150 at the end of Q1 2024.
- Ongoing negotiations with BNP Paribas and ING to extend maturing loans of respectively MEUR 15 and MEUR 35.

For the remaining debt maturities in 2024, active negotiations with existing lenders are ongoing. In addition, new credit lines are actively being negotiated with new lenders in the added geographies.

Update on the divestment program

³ Subject to timely finalisation of disposals planned in Q4 2023 and limited variations in valuations per 31 December 2023.



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To keep its leverage under control, Xior is executing a divestment program of in total c. MEUR 340, announced on 26 October 2023. The current status of the divestment program is as follows:

- Circa MEUR 40 of assets have been fully closed and paid, these mainly include small residences (19 different assets) improving the overall quality of the portfolio.
- Circa MEUR 70 of assets are under agreement, or under exclusivity⁴ but are not yet closed. The expected closing date is in Q4 2023 - Q1 2024.
- The remaining c. MEUR 230 is currently in full sales process with ongoing negotiations but no binding agreement has been signed yet. The portfolio deal Zernike/Narita/Barajas represents the majority of this amount.

Sales values were overall in line with the valuation of Xior's independent valuers underpinning the resilience of the student housing sector on the back of the positive effect of pricing power and rental growth.

Country	Asset	(Expected) Closing	Value
Total assets sold and paid per 12.12.2023			c. 40 MEUR
Total assets under agreement or exclusivity but sale not yet paid			c. 70 MEUR
Belgium	Project Roosevelt (Antwerp)	Q1 2024	
	KVS I & KVS II (Brussels)	Q1 2024	
	Universiteitsstraat (Ghent)	Q4 2023	
	Bogaardenstraat (Leuven)	Q1 2024	
	Frederik Lintstraat 9 (Leuven)	Q1 2024	
	Justus Lipsiusstraat (Leuven)	Q1 2024	
	Ravenstraat (Leuven)	Q1 2024	
	Oude Beestenmarkt (Ghent)	Q1 2024	
	Brusselsepoortstraat (Ghent)	Q1 2024	
	Hoogstraat (Ghent)	Q1 2024	
	Klapdorp (Antwerp)	Q1 2024	
The Netherlands	Nieuwlandstraat (Tilburg)	Q1 2024	
	Mariastraat (Tilburg)	Q1 2024	
	Kapelhof (Tilburg)	Q1 2024	
	Korenbloemstraat (Tilburg)	Q1 2024	
	Enschotsestraat (Tilburg)	Q1 2024	
Portugal	Alvalade (Lisbon)	Q4 2023 – Q1 2024	
	Granjo apartments (Porto)	Q1 2024	
	Odalys Lamas (Lisbon)	Q4 2023 – Q1 2024	
Total assets to be sold (sale process ongoing but no agreement yet)			c. 230 MEUR
Total divestment program			c. 340 MEUR

⁴ The signed agreements are binding agreements or offers, as the case may be, subject to customary (legal) conditions, such as due diligence, financing, administrative checks, legal pre-emption rights, etc.



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Update on active pipeline capex

Excluding Lumiar and Boavista, the remaining investment for the active pipeline is around MEUR 38.4 (per 30 September 2023).

4. Characteristics of the Offering

Structure

The Offering will take place in the form of an ABB carried out by the accompanying banks:

- (i) outside the United States in "off-shore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act of 1933, as amended ("**US Securities Act**"), in:
 - (w) the Member States of the European Economic Area, to "qualified investors" as defined in article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as amended and including any implementation measures in the member states (the "**Prospectus Regulation**"), in accordance with the exemption from prospectus publication provided for in article 1.4(a) of the Prospectus Regulation;
 - (x) the United Kingdom, to "qualified investors" as defined in article 2(e) of the Prospectus Regulation, as amended and transposed in the laws of the United Kingdom pursuant to the "European Union (Withdrawal) Act 2018" and the "European Union (Withdrawal Agreement) Act 2020", who are also (i) persons having professional experience in matters relating to investments falling within the definition of "*investment professionals*" in article 19(5) of the "Financial Services and Markets Act 2000 (Financial Promotion) Order 2005", as amended (the "**Order**"), (ii) "high net worth companies", "unincorporated associations", etc., falling within article 49(2)(a) to (d) of the Order, or (iii) other persons to whom an offer of the New Shares may otherwise lawfully be communicated and who can lawfully participate in the ABB;
 - (y) Switzerland, to investors that qualify as "professional clients" as defined in article 4 of the Swiss Financial Services Act ("*Finanzdienstleistungsgesetz*") of 15 June 2018, as amended (the "**FinSA**"), in accordance with the prospectus exemption provided for in article 36 of the FinSA; as well as
 - (z) other selected jurisdictions outside the United States, to certain qualified and/or institutional investors in accordance with applicable limitations; and
- (ii) in the United States, to investors reasonably believed to be "qualified institutional investors" as defined in Rule 144A under the US Securities Act ("**Rule 144A**"), that have received a US investor representation letter.

Final issue price and final number of New Shares

The final issue price and the final number of New Shares to be issued will be determined by the Company in consultation with the syndicate banks, taking into account various parameters, including the result of the ABB.

Available amount under the authorised capital

In the framework of the ABB use is made of the authorised capital, which was approved at the Extraordinary General Meeting held on 15 September 2022 (see [articles of association](#)). Under this authorisation, Xior's board of directors is permitted (among other things) to increase Xior's capital by means of a capital increase by way of (i) contribution in cash not providing for the possibility of exercising the statutory preferential right or irreducible allocation right by the company's shareholders and (ii) contribution in kind, up to a maximum amount of EUR 62,554,577, or a maximum of 3,475,254 new shares to be issued at the current capital represented value of the shares (EUR 18.00) which was partially used by the Board of Directors by issuing 865,618 shares on 25 April 2023 in connection with the final part of the Basecamp transaction. Under this authorisation a maximum of 2,609,636 shares can still be issued.



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New Shares

The New Shares will be issued in accordance with Belgian law and are ordinary shares, fully paid up, with voting rights and without nominal value. They will have the same rights as the existing shares. See the section 'Dividend' below in relation to the dividend entitlement of the New Shares.

Dividend

No detachment of coupon: the New Shares will be issued with coupon N°24 and following attached and therefore will be entitled to the profits as from 25 April 2023 (inclusive).

Barring unforeseen circumstances, the Company targets a gross dividend of EUR 1.76 per share for financial year 2023 (+6.3% compared to 2022). The Company therefore maintains its expectation of an increase in its earnings per share compared to the previous year, notwithstanding the fact that the number of shares is expected to have increased by c. 37.6% during the course of 2022 and 2023. The estimated value of coupon N°24 therefore amounts to EUR 1.2103.

Reference Shareholder

The current reference shareholder Aloxe NV has expressed its intention to submit an order of MEUR 3 without guaranteed allocation and at the final issue price (the "**Aloxe Intention**"). In doing so, the historical reference shareholder once again underlines its confidence in Xior and its future prospects. Under the ABB, the statutory preferential subscription right of existing shareholders will be cancelled (to the extent necessary, partly in favour of Aloxe NV).

Aloxe NV is a related party of Xior within the meaning of article 7:97 of the Belgian Companies and Associations Code. Thus, in the context of (the possible participation of Aloxe in) the ABB (the "**Aloxe Intention**"), a committee of independent directors of Xior has issued an independent advice. In addition, the statutory auditor has reviewed the financial and accounting data set out in the relevant minutes of Xior's governing body and in the committee's advice referred to above. The conclusion of the committee's advice and of the review by the statutory auditor are included at the end of this press release.

The legal conflict of interest rules (pursuant to articles 7:96 and 7:97 of the Belgian Companies and Associations Code, as well as article 37 of the GVV Act) are applied on behalf of Mr Christian Teunissen and Mr Frederik Snauwaert, ultimate shareholders of Aloxe NV and directors of the Company.

Standstill

Under the framework of the ABB, the Company has committed to a 90-day standstill with regard to the issue of New Shares, subject to the customary and market based exemptions.

Admission to trading of the New Shares

A request has been filed for the admission to trading of the New Shares on the regulated market of Euronext Brussels, which is expected to take place on 18 December 2023 (T+2). The New Shares will have ISIN code BE0974288202, the same code as the existing shares.

Payment and delivery of the New Shares

Subscribers must pay the issue price in full, in euros, together with any applicable stock exchange taxes and costs.



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Expected timetable of the Offering

Press release announcing the ABB (start of the ABB and suspension of trading in the Company's shares) (during trading hours)	13 December 2023
ABB (intra-day)	13 December 2023
Final Allocation of the New Shares	At the latest 14 December 2023
Press release on the result of the ABB, the issue price and the number of New Shares to be issued and resumption of trading in the Company's shares	At the latest 14 December 2023
Acknowledgement of the realisation of the capital increase and delivery of the New Shares to the subscribers	18 December 2023
Admission to trading of the New Shares on the regulated market of Euronext Brussels	18 December 2023

The Company may postpone, extend, shorten and/or pre-terminate the dates and times of the accelerated private placement and the periods indicated in the above timetable. In that case, the Company will inform Euronext Brussels and the investor thereof through a press release and on the Company's website.

ABN AMRO Bank N.V., in corporation with ODDO BHF SCA, and KBC Securities are acting as Joint Global Coordinators and Belfius Bank N.V. in cooperation with Kepler Cheuvreux S.A., BNP Paribas Fortis and Natixis are acting as Joint Bookrunners in this transaction. ING is acting as Advisor to the Company.

5. Advice by the committee of independent Xior directors and review by the statutory auditor in the application of article 7:97 of the Code of Companies and Associations

Advice by the committee of independent Xior directors (the Committee)

"In view of the foregoing, the Committee advises the board of directors of the Company that the proposed Capital Increase to be made under the ABB is not contrary to the interest of the Company and is not unlawful.

The Committee is also of the opinion that it is highly unlikely the Aloxe Intention would result in disadvantages to the Company that would not be outweighed by the benefits set out in the above opinion."

Statutory auditor's review of the Company

"Based on our review, nothing has come to our attention that causes us to believe that the accounting and financial information - included in the advice of the Committee of independent directors dated 11 December 2023 and in the minutes of the Board of Directors dated 11 December 2023 – are not true and consistent in all material respects with the information available to us in connection with our engagement.

Since the prospective accounting and financial information and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we express no opinion on whether the actual results reported will correspond to those included in the prospective financial information and the differences may be material.

Our engagement was conducted solely within the scope of the provisions of Section 7:97 of the Companies and Associations Code and our report cannot therefore be used in any other context."



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About Xior Student Housing

Xior Student Housing NV is the first Belgian public regulated real estate company (RREC) specializing in the student housing segment in 8 countries: Belgium, the Netherlands, Spain, Portugal, Germany, Poland, Denmark and Sweden. Within this property segment, Xior Student Housing offers a variety of accommodation, ranging from rooms with shared facilities to en-suite rooms and fully equipped studios. Since 2007, as owner-operator, Xior Student Housing has built high-quality, reliable student accommodation for students looking for the ideal place to study, live and relax. A place with that little bit extra, where every student immediately feels at home.

Xior Student Housing has been accredited as a public RREC under Belgian law since 24 November 2015. Xior Student Housing's shares have been listed on Euronext Brussels (XIOR) since 11 December 2015. On 30 September 2023, Xior Student Housing held a property portfolio of approximately EUR 3.17 billion. More information is available at www.xior.be.

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This announcement is not for publication, distribution or release, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**") and must not be offered or sold in the United States, except pursuant to an applicable exemption from the registration requirements of the US Securities Act. The issuer of the securities has not registered, and does not intend to register, any portion of the transaction in the United States. No public offering of securities is being made in the United States of America.

In relation to each Member State of the European Economic Area (each a "**Relevant Member State**"), an offer of securities to which this communication relates is only addressed to and is only directed at "qualified investors" in that Relevant Member State within the meaning 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, and any implementing measure in each Relevant Member State of the European Economic Area (the "**Prospectus Regulation**") ("**Qualified Investors**").

In the United Kingdom, this press release is only addressed to "qualified investors" as defined in article 2(e) of the Prospectus Regulation as amended and transposed into UK law under the European Union (Withdrawal) Act of 2018 and the European Union (Withdrawal Agreement) Act 2020 who are also (i) persons having professional experience in matters relating to investments falling within the definition of "investment professionals" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) "high net worth companies", "unincorporated associations", etc. falling within article 49(2)(a) to (d) of the Order, or (iii) other persons to whom an offer of new shares may otherwise lawfully be communicated and who can lawfully participate in the private placement (all such persons together being "**Relevant UK Persons**"). Any investment activity to which the following information relates will only be available to, and will only be undertaken with, Relevant UK Persons. Persons who are not Relevant Persons should not take any action on the basis of this announcement and should not act or rely on it.

In Switzerland an offer of securities to which this communication relates is only addressed to "profession clients" as defined in article 4 of the Swiss act on financial services ("**Finanzdienstleistungsgesetz**") of 15 June 2018, as amended (the "**FinSa**"), in accordance with the prospectus exemption provided for in article 36 of the FinSA. Any investment activity covered by this press release will only be available to, and will only be undertaken with, professional clients. The distribution of this press release in other jurisdictions may be restricted by law, and persons into whose possession this press release comes should inform themselves about and comply with any such restrictions. The offer is therefore exempted from the obligation to prepare and publish a prospectus under article 36 of the FinSA and the securities will not be admitted to trading on any Swiss trading platform. This communication does not constitute a prospectus in accordance with FinSA and the Company will not prepare such prospectus in light of the offer of securities are referred to herein. This press release has been prepared in Dutch and has been translated into English and French. In case of discrepancies between the different versions of this press release, the Dutch version will prevail.



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Information to distributors

The Joint Global Coordinators & Joint Bookrunners have informed the Company that the following information is intended for distributors only. The information is provided by the Joint Global Coordinators & Joint Bookrunners and the Company does not assume responsibility for it.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), the Joint Global Coordinators & Joint Bookrunners have informed the Company that they have submitted the new shares subject of the proposed Private Placement to a product approval process, which has determined that such new shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the new shares may decline and investors could lose all or part of their investment; the new shares offer no guaranteed income and no capital protection; and an investment in the new shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the proposed Private Placement. It is further noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators & Joint Bookrunners will only attract investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the new shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the new shares and determining appropriate distribution channels.