

18 June 2020 – Embargo until 08:30 (CET)

Regulated Information

Insider Information

## Launch of 'XL Fund': a collaboration between Xior (90%) and LIFE (10%)

XL Fund kicks off with student housing portfolio consisting of approx. 1,600 units spread over 6 locations in Belgium and the Netherlands for approx. EUR 155 million investment value

Capital and equity increase of approx. EUR 7.5 million

Information on the total number of voting rights (denominator) (Article 15 of the Transparency Act)

**Antwerp, Belgium – 18 June 2020** – Xior Student Housing NV, the Belgian public regulated real estate company (RREC) specialising in the student housing segment in Belgium, the Netherlands, Spain and Portugal, announces the launch of 'XL Fund': a collaboration between real estate developer LIFE and Xior (with a 90% Xior - 10% LIFE distribution). From the start, the XL Fund will comprise a substantial portfolio consisting of 6 different student residences and projects at various locations in Belgium and the Netherlands. These projects have all been developed or are still under development by LIFE, for a total expected investment value of around EUR 155 million with an average expected gross yield of 5.83%. In one fell swoop, Xior is taking an important step in the further roll-out of its growth plan and in significantly strengthening its position in its historic domestic market. The XL Fund also provides a platform for further potential collaboration between both parties to continue to expand the portfolio in Belgium and the Netherlands.

After previous successful collaborations between Xior and LIFE, both in Belgium (the KVS projects in Brussels), in the Netherlands (the Carré building in Maastricht and the Ariënsplein in Enschede) and in Spain (Diagonal Besòs in Barcelona), Xior and LIFE have deepened their collaboration through the creation of the XL Fund. Xior and LIFE hold 90% and 10% respectively in XL Fund which will apply to be included on the list of specialised real estate investment funds (*GVBF/FIIS*). The XL Fund will immediately start with the contribution and acquisition of a substantial portfolio consisting of six student residences at various locations in Belgium and the Netherlands, with a total expected investment value of approximately EUR 155 million and an average expected gross yield of 5.83%. The six different locations have all been developed, or are in the process of being developed, by LIFE, who will also continue to ensure the completion of these complexes in accordance with the agreements between both parties. ING Corporate Finance is the party that advised the seller in respect of this transaction.

For Xior, this collaboration represents a significant strengthening of its historic domestic market in Belgium and the Netherlands, with the addition of around 1,600 units at exceptional locations. These units can easily be integrated into the management system already in place, resulting in significant economies of scale. The portfolio offers an attractive mix of operational, near-operational and yet-to-be-developed projects, generating rental income immediately. This transaction also adds two new cities, reinforcing the roll-out in Wallonia and a new city on the tri-border point between Belgium, the Netherlands and Germany.

Following this transaction, and after all acquisitions and redevelopments in the committed pipeline have been completed, Xior's portfolio will rise to approximately EUR 1.8 billion, with almost 15,000 lettable student units spread over 30 different cities.

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## 1. Overview of the portfolio



|                        | Name                | Location | Timing            | Number of units                   | Ownership            |
|------------------------|---------------------|----------|-------------------|-----------------------------------|----------------------|
| <b>Belgium</b>         |                     |          |                   |                                   |                      |
| 1.                     | Prince              | Antwerp  | Q4 2020 - Q1 2021 | 156                               | Ground lease (50 yr) |
| 2.                     | Felix               | Antwerp  | Q3 2022           | 203                               | Ground lease (50 yr) |
| 3.                     | Project in Flanders | Flanders | 2022              | ca. 400                           |                      |
| 4.                     | ARC                 | Liège    | Q4 2020 - Q1 2021 | 232                               | Full ownership       |
| <b>The Netherlands</b> |                     |          |                   |                                   |                      |
| 5.                     | Katzensprung        | Vaals    | Operational       | 461                               | Full ownership       |
| 6.                     | Ariënsplein         | Enschede | TBD               | min. 100 units in a mixed project | Full ownership       |

## 2. Locations

### Katzensprung – Vaals (Netherlands)



This existing and already operational student residence is located close to the tri-border point of the Netherlands, Belgium and Germany and grew out of the University of Aachen's demand for more student accommodation, as well as the desire of the city of Vaals to provide a solution to the existing scarcity. This location, aimed at students at the German University of Aachen but located just across the border in the Netherlands, offers students the advantage of being able to make use of the Dutch rent subsidy system, which explains the popularity of this destination. This modern residence (completed in 2017) has 461 student rooms and is located on Sneeuwberglaan in Vaals, the Netherlands. It is the ideal place for students to live on a green site, with all the advantages of a nearby city. The residence offers students various facilities including study and relaxation areas, laundry facilities and parking options.

This project is held in full ownership by the project company being taken over (which also includes the local operational team). The expected investment value is EUR 38,500,000 and the expected gross yield is 6.17%. This residence has had a very high occupancy rate since its opening, further supported by a rental guarantee from LIFE for 18 months from the transfer calculated at an occupancy rate of 98%.

### Prince – Antwerp (Belgium)



The second project to be transferred to the XL Fund concerns the redevelopment of the old student residence Ten Prinsenhove in Antwerp, on the basis of a long-term lease of 50 years. It will be completed in late 2020 or early 2021, allowing it to be rented out partly for the next academic year. The Prince project is located in the heart of the student district in Antwerp and, with its 12 floors, towers far above all the surrounding buildings. The residence has 156 units and will feature all modern facilities including a 360° sky bar, gym, laundry facilities, living room, communal kitchens, yoga room, meeting and study room, and a roof terrace. Students, as well as guest professors, summer school students, PhD students and others will be welcome here in the coming years. The redevelopment of this Antwerp landmark, centrally located on the UAntwerp city campus, can be seen as one of the last opportunities to realise new student housing in the centre of Antwerp. In addition to having its headquarters in Antwerp, Xior has been active on the Antwerp student rental market for many years, with other residences and an adept local rental and management organisation, allowing immediate economies of scale to be achieved.

The expected investment value is EUR 18,750,000, and the expected gross yield is 5.24%. LIFE has provided a rental guarantee from September 2021 for a period of 5 years, based on an average occupancy rate of 98%.

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## ARC – Liège (Belgium)

The former university site, which ARC is part of, is located between the centre of Liège and the Sart-Tilman campus of the University of Liège and is currently in full transition to a dynamic site encompassing living, education and leisure. This development concerns 232 loft-style units aimed at students and young professionals, supplemented with no less than 2,000 m<sup>2</sup> of communal areas including a living room, reading and study room, game and cinema room, gym and yoga room, spa with steam bath, laundry room, and a sky lounge with roof terrace. The solar panels, heat pumps, balanced ventilation system and smart building technology make this residence an example of a completely sustainable building.



This project is held in full ownership by the project company being taken over. The expected investment value is EUR 29,950,000 and the expected gross yield is 5.47%. Completion of the entire project is expected in late 2020 or early 2021. LIFE will provide a partial rental guarantee during the ramp-up period of 2 years as from April 2021, during which LIFE will support the XL Fund with the start-up of commercialisation.

This top project in the lively student city of Liège reaffirms Xior's desire to expand in Wallonia and will even surpass the previously announced project in Namur as the first operational Xior building south of the language border.

## Felix – Antwerp (Belgium)

This site, surrounded by the parks of Wilrijk in a green oasis between Campus Groenenborger and Middelheim Park, currently serves as a Theology campus and has about 120 social student rooms. The existing buildings, developed by brutalist Paul Felix, are protected and will be thoroughly renovated and additional student accommodation will be created, bringing the total number of rooms to 203. Furthermore, investments will be made in a large communal outdoor space and central meeting place in order to achieve the desired campus feeling and create an integrated community. This unique site will provide a seamless connection with the Campus Groenenborger of the UAntwerp and will provide a solution to the ever growing demand for student housing in Wilrijk.



This development will take place on the basis of a long-term lease over 50 years. The expected investment value amounts to EUR 17,440,000, with an expected gross yield of 5.81% and an additional earn-out if more units could be realised on this site. The seller will rent the existing social student units from XL Fund on a triple net basis for a period of 12 months. Completion of the entire project is expected in 2022.

With the two new Antwerp projects, Prince and Felix, the total number of student units operated under the Xior flag in Antwerp will rise to approximately 650 units.

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## Project in Flanders – Flanders (Belgium)

This concerns a purchase option for a project located in a student city in Flanders where Xior is already present and has the ambition to expand further. Given the current state of this development project, further data on this new location cannot yet be disclosed. As soon as the permit and administrative processing are completed, the project will be taken over and the development of this brand new residence will start. The project is situated in an ideal location, fully in line with Xior's strategy and will accommodate approximately 400 students after completion.

The expected investment value amounts to EUR 33,805,000, with an expected gross yield of 5.70% and an additional earn-out if more units could be realised on this site. Completion of the entire project is expected in 2022.

## Ariënsplein – Enschede (Netherlands)



Connect-U/Ariënsplein in Enschede (the Netherlands) is an excellent location for Xior, close to the city centre and public transport. Moreover, the presence of the Saxion educational institute (which considers this site to be strategic) makes the site an ideal base for students and their accommodation.

On 12 March 2018 Xior already signed an agreement for the acquisition of a student complex consisting of 271 student rooms (and two teaching rooms rented out to Saxion University), in the former hospital located at Ariënsplein<sup>1</sup>. This student complex formed part of an old hospital which LIFE is redeveloping in several phases into a new urban campus. Following this purchase in the first phase, XL Fund is now acquiring the remaining building elements of this development project, and the entire 55,000 m<sup>2</sup> site will be reunited in one hand in full ownership, which will considerably facilitate the development process. These remaining parts include a redevelopment of educational facilities, additional residential units (young professionals), incubators, offices and co-working and support functions. Together with LIFE, over the next few months the strategic part for XL Fund (student accommodation, teaching rooms and starter homes, etc.) will be demarcated within this entire site and non-strategic parts will be prepared for redevelopment and sale.

The acquisition of the “strategic part” will, after completion of the sale of the non-strategic parts, have an expected initial yield of approx. 6.28% for an expected investment value of approx. EUR 16,000,000. The margin realised on the sale of the non-strategic parts will be shared 50/50 between XL Fund and LIFE. The completion dates and specific details regarding the redevelopment have yet to be determined.

<sup>1</sup> See press release from 12 March 2018

Christian Teunissen, CEO of Xior: *"We are very pleased to take the next step in our already successful collaboration with LIFE. The creation of the XL Fund is the culmination of our joint efforts in recent years and offers us great prospects for the future to further expand our portfolio and continue to strengthen our position in Belgium and the Netherlands through this fund. These six new student residences perfectly complement our current portfolio and can be effortlessly integrated into our current management platform, with immediate realisation of economies of scale and further geographical diversification in our historic domestic market. We're really looking forward to what the future holds for the XL Fund."*

Serge Hannecart, CEO of LIFE: *"LIFE is ready for the next exciting challenge with Xior: the creation of our XL Fund. We join forces and combine our years of expertise as a project developer with that of Xior as an investor and operator of student rooms, resulting in a powerful collaboration for these 6 exciting projects. We are working hard with our team on the further development of these premises, and are delighted to be able to count on Xior's support. We are convinced that together, we will accomplish a lot more with this fund."*



### 3. Capital increase and issue of new shares

Part of LIFE's claim on Xior resulting from the transaction was contributed in exchange for 162,162 new Xior shares for a total amount of EUR 7,499,992.50.

The new Xior shares were issued today, 18 June 2020, by means of a capital increase within the authorised capital, following a vote by the Xior Board of Directors. The transaction resulted in an equity increase of EUR 7,499,992.50, of which EUR 2,918,916 was posted to capital and EUR 4,581,076.50 was posted to issue premiums.

The issue price of the new shares amounts to (rounded) EUR 46.25 per share and is based on the average of the volume-weighted average price (VWAP) of the Xior share on Euronext Brussels during five trading days preceding 18 June 2020. The new Xior shares issued are ordinary shares, which have the same rights as the existing shares and share in the result of the Company as from 1 January 2020. LIFE has agreed to a lock-up commitment of 180 days in respect of these shares, which endorses the collaboration.

### Disclosure under Article 15 of the Act of 2 May 2007 (the Transparency Act)

Following the capital increase and issue of new shares on 18 June 2020 as part of this transaction, Xior Student Housing NV discloses the following information in compliance with Article 15 of the Act of 2 May 2007 on the disclosure of significant shareholdings:

- Total capital: EUR 347,315,238.00
- Total number of voting securities: 19,295,291 (all ordinary shares)
- Total number of votes (denominator): 19,295,291 (all attached to ordinary shares)

Each of these shares confers one vote at the Annual General Meeting and these shares are therefore the denominator for purposes of publications under the transparency rules (i.e. notification in the event of reaching, exceeding or failing to meet the thresholds specified by law or in the Articles of Association). Student Housing NV's Articles of Association do not provide for additional statutory thresholds. No outstanding options or warrants have been issued that entitle the holder to shares – neither pre-emptive shares, nor non-voting shares.

### Declaration with application of Article 37 of the RREC Act

Pursuant to Article 37 of the RREC Act, transactions planned by the Company must be notified to the FSMA, and the relevant information must also be made public, if certain persons, as specified in Article 37, §1 of the RREC Act, act directly or indirectly as counterparties to those transactions or derive any financial advantage from them.

Please refer to the Dutch version of this press release for the full declaration.

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### About Xior Student Housing

Xior Student Housing NV is the first Belgian public regulated real estate company (RREC) specialising in the student housing segment in Belgium, the Netherlands, Spain and Portugal. 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 will feel at home right away.

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 31 March 2020, Xior Student Housing held a property portfolio worth approximately EUR 1.22 billion. More information is available at [www.xior.be](http://www.xior.be).

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