

Xior announces the approval and publication of the Prospectus in connection with its voluntary and conditional public offer in cash for Quares Student Housing



Xior Student Housing NV ("**Xior**") announced on 11 October 2021¹ an agreement relating to the acquisition of 32.36% of the shares of Quares Student Housing NV/SA ("**Quares Student Housing**") (the "**Reference Transfer**") as well as its intention to launch a voluntary public tender offer for (i) all existing shares of Quares Student Housing which are not yet held by Xior and which are also not the subject of the aforementioned binding agreement, as well as the 4 shares which will be issued by Quares Student Housing as a result of the conversion of 10 convertible bonds which were issued by Quares Student Housing in accordance with the terms and conditions of issue set out in the information memorandum dated 3 October 2020 (and which have already expressed a wish to be converted on or before 15 September 2021) (together the "**Shares**") and (ii) the 42 convertible bonds issued by Quares Student Housing for which no wish to convert has been received on or before 15 September 2021 (the "**Outstanding Bonds**") (the "**Offer**"). Today, Xior announces the publication of the prospectus relating to the Offer (after approval by the FSMA on 7 December 2021) (the "**Prospectus**").

Xior intends to acquire 100% of the shares of Quares Student Housing. An additional mechanism to achieve this objective (in addition to the making of the Offer), is the exercise of the follow-on obligation as provided for in Article 8 of the Articles of Association of Quares Student Housing ("**Follow-on obligation**"). Once Xior has an agreement on the acquisition of 50% of the shares of Quares Student Housing, the shareholders of Quares Student Housing holding 50% or more of the shares of Quares Student Housing may exercise the Follow-on obligation, as a result of which Xior will acquire 100% of the shares of Quares Student Housing. If the Follow-on obligation is exercised, the minority shareholders of Quares Student Housing must transfer all their shares to Xior under the same conditions and at the same price as determined in respect of the Reference Transfer, whereby the net price for the shares will be at least equal to the intrinsic value of the shares determined on the basis of the latest known valuation value of the property portfolio carried out by a property expert appointed by Quares Student Housing. For more detailed information concerning the Follow-on obligation Xior refers to the Prospectus.

If the intended acquisition is successful, this strategic takeover will make Xior the absolute market leader for student accommodation in Belgium.

1. Key details of the transaction²

- Acquisition of 29 operational student residences with 1,107 rooms in Antwerp, Brussels, Ghent & Liège and 2 committed development projects in Brussels with 181 rooms
- Total investment value of approx. 155.8 MEUR with an expected initial yield in line with the current valuation of the portfolio in Belgium
- Creation of Belgium's largest student accommodation platform
- Total value of the Belgian portfolio will increase by more than 25%

¹ See press release dated 11 October 2021.

² If the acquisition and the public offer relating to Quares Student Housing succeeds.

- Positive impact on earnings & operational margin through direct savings and economies of scale
For more information, see the earlier [press release](#) dated October 11, 2021.

2. Details and timeline of the public tender offer

- The Offer relates to:
 - the Shares; and
 - the Outstanding Bonds
- Offer Price Shares:
 - EUR 19,984 per Share payable in cash (it being understood that in addition to the aforementioned offer price, two price supplements are offered, respectively amounting to EUR 177 per Share (under the collection guarantee for academic year 2021-2022) and EUR 925 per Share (under the collection and rental guarantee for academic year 2022-2023), (increased, if applicable, as provided for in the Prospectus), whereby these amounts will temporarily be placed in an escrow account to cover the collection and rental guarantees and to the extent that there is no need to call upon such collection and rental guarantees, shall be paid out to the holders of Shares); and
- Offer Price Outstanding Bonds:
 - An offer price ranging between EUR 11,524 and 12,743 per Outstanding Bond payable in cash (it being understood that in addition to the aforementioned offer price, two price supplements are offered, respectively amounting to EUR 177 per "theoretical new share" (based on a conversion ratio as described in the Prospectus) corresponding to the Outstanding Bonds transferred pursuant to the Offer (within the framework of the collection guarantee for academic year 2021-2022) and EUR 925 per "theoretical new share" (based on a conversion ratio as described in the Prospectus) corresponding to the Outstanding Bonds transferred pursuant to the Offer (within the framework of the collection and rental guarantee for the 2022-2023 academic year), (if applicable increased as provided in the Prospectus), whereby these amounts will temporarily be placed in an escrow account to cover the collection and rental guarantees and to the extent that no recourse to such collection and rental guarantees is necessary, will be paid to the holders of the Outstanding Bonds.
- The acceptance period for the Offer will be from 8 December 2021 up to and including 22 December 2021 at 16h00.
- The acceptance forms have to be submitted directly with ING Bank NV in its capacity as paying agent bank (the "Paying Agent").

3. Prospectus and memorandum in reply

The Prospectus has been approved by the FSMA on 7 December 2021. The Prospectus relates to the Offer.

The Prospectus with acceptance form may be obtained free of charge at the counters of the Paying Agent and by telephone at the Paying Agent on +32 (0)2 464 60 01 (NL) or on the phone number +32 (0)2 464 60 02 (FR), or on the phone number +32 (0)2 464 60 04 (ENG).

An electronic version of the Prospectus (including acceptance form) is also available on the following website www.ing.be/aandelentransacties (NL), www.ing.be/transactionsdactions (FR) and www.ing.be/equitytransactions (ENG) and via the website of the Bidder (<http://xior.be/en/investor/investor-relations/public-tender-offer-quares/2021>).

As indicated in section 3.6 of the Prospectus, certain information is incorporated by reference.

Both current shareholders and bondholders of Quares Student Housing will be sent an acceptance form regarding the Offer by e-mail (or, if no known e-mail address exists, by letter).

The sole director of Quares Student Housing has prepared a memorandum in reply in accordance with the Takeover Act of 1 April 2007 and the Takeover Decree of 27 April 2007. This memorandum in reply has a date of 7 December 2021 and is attached as Annex 2 to the Prospectus.

4. Public Offer Conditions

The Offer is subject to the following conditions:

1. Following the Offer, Xior will have received valid acceptance forms for at least 641 of the shares in Quares Student Housing;
2. Through the acceptance forms submitted in the context of the Offer, shareholders of Quares Student Housing holding at least 641 of the shares in Quares Student Housing will have given their consent to the imposition of the follow-on obligation (as well as the reference shareholders holding 1,170 of the shares in Quares Student Housing). On the understanding that upon acceptance of the Offer, one has the possibility but not the obligation to exercise the follow-on obligation;
3. During the period prior to the date of the announcement of the results of the Offer, no material negative change occurs, which means one or more of the following situations: (i) a decrease of Quares Student Housing's consolidated net rental income (on an annual basis) of at least 20% (compared to Quares Student Housing's consolidated net rental income (on an annual basis) at the end of the academic year 2020-2021) based on the information to be provided by Quares Student Housing (as determined by an independent expert), or (ii) an increase in the long-term rate of the 5-year OLO of at least 300 basis points compared to the long-term rate of the 5-year OLO on the day preceding the notice of the Offer (i.e. -0.46) or (iii) a decrease in the closing price of the BEL20 index of more than 20% compared to the closing price of the BEL20 index on the day preceding the notice of the Offer in accordance with article 5 of the Takeover Decree (i.e. 4,152.40 points on 7 October 2021). If Xior does not decide to withdraw the Offer at a time when the closing price of the BEL20 index falls below 3,321.76 points and if this closing price subsequently rises again above this level, Xior will no longer be able to invoke this earlier and temporary fall of the BEL20 index. Any decision by Xior to maintain the Offer during a period in which the closing price of the BEL20 index has temporarily fallen below 3,321.76 points is without prejudice to the right of Xior to invoke the condition and withdraw the Offer if, after a recovery, the closing price of the BEL20 index falls again below 3,321.76 points;
4. A special general meeting of Quares Student Housing has taken place which will (i) approve the authorisation of the sole director of Quares Student Housing (being Quares REIM SH NV) to exercise the follow-on obligation in accordance with Article 8.2 of the Articles of Association of Quares Student Housing and (ii) approve all other resolutions to be placed on the agenda of such special general meeting; and
5. There exists no temporary or final order or judgment of any court or governmental authority that has jurisdiction over any party in the preceding transfer of 1,170 of the shares of Quares Student Housing (being 32.36% of the total number of shares of Quares Student Housing) pursuant to the buy-sell agreement of 8 October 2021 entered into between Xior, on the one hand, and the reference shareholders of Quares Student Housing, on the other hand, which is intended to prohibit or substantially limit the completion of the transaction pursuant to that same transfer.

(each separately a "**Condition**" and together the "**Conditions**")

These Conditions are stipulated for the exclusive benefit of Xior, which reserves the right to waive them in whole or in part. Xior undertakes not to waive the fourth Condition if it is not fulfilled.

If any of the Conditions are not met, Xior shall announce its decision whether or not to waive them, at the latest at the time the results of the Offer are announced, by means of a press release which will also be available on the website of the Paying Agent Bank (www.ing.be/aandelentransacties (NL), www.ing.be/transactionsactions (FR) and www.ing.be/equitytransactions (ENG)) and on the website of Xior (<http://xior.be/en/investor/investor-relations/public-tender-offer-quares/2021>).

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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 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 2021, Xior Student Housing held a property portfolio worth approximately EUR 1.741 billion. More information is available at www.xior.be.

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