

## Xior continues international expansion with entry into fifth country Poland and extra acquisition in Granada



### Xior continues international expansion with entry in Poland

- Addition of **fifth country** confirms Xior's ambition to become the leading pan-European player in student housing
- **Target portfolio** in due time of **at least 2,500 units** and maximum 10% of total fair value of the portfolio. First substantial entry with flagship project in Warsaw with over 500 rooms
- The Polish student market is in full development: a country with **more than 1.2 million students** characterised by a structural undersupply of quality housing and therefore strong growth potential with higher investment yield
- **Project Warsaw** concerns a **turnkey project** with a **total investment value** of approx. MEUR 32 with a gross **investment yield** of approx. 9%
- **Expected completion** August 2024
- Full development risk remains with the seller

### Further expansion in Granada: new development project in prime location

- Letter of intent signed for **new sustainable development** of approx. **310 units** with private bathrooms and various common facilities
- **Total investment value** of approx. 26.25 MEUR
- **Triple net lease** agreement with Odalys for 12 years
- Expected theoretical **gross initial yield** of approx. 7%
- Expected **completion** before Q3 2025
- Full development risk remains with the seller

### Christian Teunissen, CEO Xior

*"With the entry into Poland and this first substantial acquisition, Xior is further rolling out its growth strategy as a pure player in student housing into a particularly interesting market, further underpinning our ambition to become a leading pan-European player. We also continue to grow unabated in Spain, doubling our presence in Granada with this second residence."*

## 1. Xior announces entry in Poland, entering 5th country

Xior continues its international expansion strategy as a continental player specialised in student housing by adding a fifth country to its portfolio. After Belgium, The Netherlands, Spain and Portugal, Poland is next on the list and will become an additional driving force to further realise Xior's international growth plans. With a first investment project with over 500 rooms, Xior is taking a substantial first step into this new market. The total investment value amounts to approx. MEUR 32 with a gross investment yield of approx. 9%. The entire investment will be in EUR, to avoid currency risk.

### Polish student market

The Polish market is an attractive student market that is still in full development and can be compared to the student housing market in Western Europe in 2013-2014. Poland is characterised by a structural shortage, strong growth potential, with accommodation available for only 1 in 10 students. The current supply offers suitable student accommodation for merely approx. 84,000 students, most of whom (90%) are in public ownership, are outdated and no longer meet the requirements of modern students. As a result, there is a clear, unanswered need for quality student accommodation. Xior therefore sees great potential in this market and has the ambition, as owner and operator, to offer an answer to this structural shortage.

The largest Polish student cities are, in order of size: Warsaw, Krakow Wroclaw, Poznan, and Gdansk. These are all cities with a significant (international) student population thanks to the presence of several quality universities and colleges. Poland hosts 349 educational institutions with a total student population of over 1.2 million in the 2020-2021 academic year of which approx. 7% are international students. The proportion of international students is growing exponentially with growth rates increasing from 2% to almost 7% since 2012.



Partly under European impulse, Poland has become an attractive investment market that has already secured many international investors from various other property segments. Poland's excellent command of English is also an additional asset. The good infrastructure and vibrant cities are an appealing factor for students, both national and international.

### **Announcement of new development project in Warsaw**

Today, Xior announces a first project in the popular student city of Warsaw, setting its sights on leaving its mark in Poland, as it has in other countries, and to continue its growth ambitions by continuing to look for interesting investment opportunities in Poland's main student cities. Xior's target is to eventually grow to a portfolio in Poland of at least 2,500 units, with the aim of increasing the portfolio in Poland to no more than 10% of the total fair value of the portfolio, in order to always guarantee sufficient diversification in the total international real estate portfolio.

#### **Project Warschau**

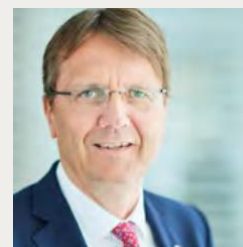
Project Warschau concerns a new to be developed, already licensed student residence with 521 rooms (each with private bathroom) in a prime location close to public transport and only 500m from the "Wyzsza Szkola Bezpieckzenstwa" university along with 10 other educational institutions which are within walking distance. Although Warsaw is the city with the highest number of students in Poland, there are only 10 private student residences, of which only one is a comparable residence with 488 units. The number of international students increased by 39% between 2015-2020 and is expected to rise to around 31,500 international students by 2030. The expected investment value is approx. MEUR 32 with a gross investment yield of approx. 9% and is expected to be completed by August 2024. The turnkey development will take place in a Joint Venture structure with the seller and developer Solida and will be financed through forward funding. Xior's entry will be in phases, with 25% of the shares in the Joint Venture being purchased (subject to certain conditions precedent) and the remaining 75% after completion.

This residence will be operated under the Xior flag as from completion, whereby an 'income guarantee' has been negotiated with the seller Solida. A structural cooperation agreement will also be concluded with the developer. Solida is an active player in Poland with a clear focus on student housing, and in addition to this new project, it also has an extensive future pipeline. Together, Solida and Xior will look for the best possible projects to meet the shortage of student rooms in Poland, on the one hand, and to expand Xior's position in Poland, on the other, always taking into account concrete investment criteria based on demand, supply, rent and location.

A heads of terms was signed with Solida that is still subject to a number of conditions, including conducting a due diligence with a positive outcome and agreeing on contractual documentation.

#### **Xior strengthens international power with Rik Vandenberghe**

Rik Vandenberghe's international experience and relevant real estate expertise make him the ideal profile to further drive Xior's international ambitions, initially ensuring a successful start-up and further expansion in Poland. Rik is currently non-executive chairman of the Board of Directors of WDP and was the former CEO of Besix Group, a leading multidisciplinary construction and real estate company active in twenty-five countries across five continents. Rik Vandenberghe started his career in the banking sector and spent thirty years with ING, including as CEO of ING Luxembourg and ING Belgium.



#### **Rik Vandenberghe, Director Xior**

*"I am very excited to join the Xior team and give an extra boost to the international expansion. Xior is a dynamic growth company and the Polish student housing market has tremendous growth potential so it makes sense that the two are now partnering."*

## **2. Development of second residence in Granada**

Xior signed the letter of intent for the development of a brand new residence in Granada, adding a second location to its portfolio in this Andalusian student city. This development project consists of approx. 310 rooms (all equipped with individual bathroom) as well as several communal areas. This development, which will meet high sustainability standards, will be completed in Q3 2025 and will be operated for 12 years by Odalys, with who Xior is already cooperating with for three other projects. A triple net lease will also be concluded with Odalys for this residence, for a period of 12 years at a fixed rent price.

The residence is located in the centre of Granada, the fifth largest student city in Spain with around 54,000 students. The project is conveniently located close to the faculties of the Universidad de Granada and various supermarkets and shops. In addition, the project is also only 3km from Amro Granada, Xior's first residence in Granada on the Cartuja campus, creating economies of scale with this second project.

The total investment value amounts to approx. MEUR 26.25, with an expected theoretical gross initial yield of approx. 7%. Following this transaction, the total number of Xior units in Granada will rise from 347 to 657.

As with the previous Odalys projects, the turnkey development will take place in a Joint Venture structure with, a.o. Promiris, a Belgian party that Xior already successfully cooperated with for similar projects in Belgium, as well as for the Odalys projects in Portugal and Seville. Xior's entry will be in phases, with 50% of the shares in the Joint Venture being purchased at the obtainment of the the urban development certificate (expected March 2022 and the remaining 50% after completion (expected Q2 2025). The signed Letter of Intent is still subject to conditions, including a positive outcome of the due diligence.

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## About Xior Student Housing

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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 31 December 2021, Xior Student Housing held a property portfolio worth approximately EUR 1.97 billion. More information is available at [www.xior.be](http://www.xior.be).

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