

Xior announces a public tender offer on a portfolio of three prime student residences in Spain



Xior Student Housing N.V. (“Xior”), a Belgian real estate investment trust (BE-REIT) specialized in student housing in Belgium, the Netherlands, Spain and Portugal, is announcing the launch of a voluntary public tender offer to acquire a controlling stake in the Spanish student housing company **Student Properties Spain SOCIMI, S.A. (“SPS”)**.

SPS is a real estate investment vehicle focused on investing in student housing structured under the SOCIMI regime and is listed on Spain’s BME Growth market. SPS currently owns a portfolio consisting of three state-of-the-art residences situated at prime locations in Madrid, Malaga and Seville, the latter to be delivered in Q3 2021. All three are among the most popular student cities in Spain. Together these residences represent more than 725 beds and are operated under the HUBR brand. This portfolio represents a one of a kind opportunity in the current PBSA market, with unparalleled locations in the most relevant student cities in Spain.

Key details offer:

- Offer price is up to 2.3417 EUR in cash per share (2.1042 EUR to be paid at the settlement of the tender offer and up to 0.2375 EUR to be retained by Xior as guarantee to cover certain contingencies)
- Equity value: approx. 58.5 MEUR
- Approx. 90 % of outstanding shares have irrevocably committed to accept the tender offer
- Tender offer positively recommended by SPS’s management
- Acceptance threshold at 95%
- Offer acceptance period of 15 days starting on the date determined in accordance with the terms of the tender offer
- If the tender offer is accepted, Xior will become the principal shareholder of SPS
- SPS will remain listed on the BME and will retain its Socimi status



Christian Teunissen, CEO of Xior: *“Since our entry in the Spanish market in March 2019, Xior’s portfolio has continued to grow with residences of the highest quality, as we are always looking for the right opportunities in this interesting and thriving market. Securing this transaction would catapult Xior into a leading position in the Spanish market: not only will it bring us three of the best located student residences in Spain, it will also add a fifth city to our Spanish portfolio, adding scale to our organisation and building an even stronger foundation to continue our expansion in our second home market.”*

1. Details and timetable tender offer

Following the previous announcement on 5 July 2021, in which Xior and SPS jointly confirmed their exclusive negotiations, today Xior announces the launch of a voluntary public tender offer to acquire a controlling stake in the Spanish student housing company Student Properties Spain SOCIMI, S.A..

- The tender offer is up to 2.3417 EUR in cash for each share 2.1042 EUR to be paid at the settlement of the tender offer and up to 0.2375 EUR to be retained by Xior as guarantee to cover certain contingencies), valuing Student Properties Spain's equity at approx. 58.5 MEUR;
- Numerous shareholders have irrevocably undertaken to accept the tender offer. These shareholders represent approx. 90% of outstanding shares. Also, Student Properties Spain's management have expressed that they view the tender offer positively;
- The tender offer is subject to Xior gaining control of more than 95% of the outstanding shares and votes in Student Properties Spain;
- The offer acceptance period will be 15 days starting on the date determined in accordance with the terms of the tender offer, unless the period is extended in accordance with the terms and conditions of the tender offer;
- If the tender offer is accepted as per the terms set forth, Xior will be the principal shareholder of Student Properties Spain and the company will remain listed on the BME and retain its Socimi status.

2. SPS assets and HUBR operational platform

SPS is a real estate investment vehicle focused on investing in student housing structured under the special tax regime of the *"Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario"* (SOCIMI) and is listed on Spain's BME Growth market. SPS currently owns a portfolio consisting of three state-of-the-art residences situated at prime locations in Madrid, Malaga and Seville, the latter to be delivered in Q3 2021. All three are among the most popular student cities in Spain. Together these residences count approx. 725 beds and are operated under the HUBR brand. This portfolio represents a one of a kind opportunity in the current PBSA market, with unparalleled locations in the most relevant student cities in Spain. The total investment value of this portfolio, including the brand and operating platform HUBR amounts to approx. 88 MEUR, with expected gross yields of approx. 7%. As part of the transaction, net operating income guarantees were agreed upon with the sellers for the residences in Malaga and Seville, for periods of respectively 12 months and 24 months starting on the date of closing. Additionally, all three residences meet sustainability criteria, and have been given an A energy label. For more information on SPS, see their [website](#).

Xior will continue to operate these three assets under the HUBR brand for now, after which the brand will be integrated into the marketing strategy of Xior Spain.

Madrid

This residence, located at Don Ramón de la Cruz 37, was completed in 2018 and counts 146 rooms (103 single rooms and 43 double rooms), each with their own private bathroom and 11 of them with a private terrace. The rooftop provides an impressive panoramic view of the city centre, and allows for leisurely comfort in deck chairs. It also has a fully equipped dining hall with a market leading catering service by DoEat, with ample space -for students to share meals and relax. Common areas such as lounges, conference and study rooms, a gym, and a game room provide for the perfect opportunity to encourage the Xior community spirit. Services provided also include 24-hour reception, security cameras and weekly cleaning/linen service, so that residents can enjoy their stay in every comfort. This residence is located in the centre of Madrid, in the heart of the Salamanca district, next to the so called 'golden mile' a vibrant street full of shops, restaurants and leisure areas, considered as one of the most exclusive and safest areas of Madrid. This centrally located urban residence is the perfect addition to Xior's current offer at the UEM campus just outside of Madrid (residences Picasso-Velázquez).



Malaga

This asset, located at Boulevard Louis Pasteur 23 in Malaga, has 221 studios (214 singles and 7 doubles), all equipped with private bathroom and kitchenette. The residence, completed in early 2021 offers a mix of communal facilities such as an upper terrace with panoramic views over the city and the sea, an amazing restaurant, high speed Wi-Fi and cable in all rooms, weekly cleaning/linen service, 24 hour reception, security cameras. The residence is located in the Teatinos district, just a few steps from the Malaga University Campus, the same prime area where Xior has already invested in a development project which was announced in February 2021¹ and which will be operational for the upcoming academic year.



Seville

Right in the middle of Avenida de la Palmera 17, this brand-new residence is situated in one of the most exclusive areas of Seville, the largest student city of Andalusia. This residence will open its doors in September 2021 and is right in front the University of Seville Campus Reina Mercedes. In addition, it is well connected by public transport to the city centre and other universities (UPO, Loyola, EUSA, CEADE, ESIC, ...). Students can also enjoy outside sports in the nearby Parque de María Luisa. The residence offers 309 fully equipped studios with their own bathroom and kitchen. Communal facilities and services include a shared garden, a swimming pool, a gym, study rooms, 24-hour reception, security cameras, weekly cleaning/linen service, high speed Wi-Fi and cable in every room.



¹ See press release published on 24 February 2021.

Andalusia is the third most important student region in Spain. It follows directly after Madrid and Cataluña, counting approx. 250,000 students in total. Xior is already active in Andalusia with its residences in Malaga and Granada. With a presence in Seville, Granada and Malaga, Xior would cover the top 3 most important student cities in Andalusia, creating an operationally efficient platform for the local team.

Operational platform HUBR

The operational knowledge of the current HUBR team will guarantee a smooth transition, not only for the students but also for Xior. They have successfully opened and smoothly ran the residence in Madrid since 2018 and the residence in Malaga since early 2021.

When the tender offer is accepted, the bundling of the operational expertise of Xior and HUBR will guarantee the successful opening of Seville. The Xior and HUBR brands in Spain are very complementary and share many qualities, including prime locations, high quality and safety standards, a friendly and supportive environment to pursue academic and personal goals, a nutritious catering service of the highest quality....In short, both brands aim to provide students with a modern, safe and healthy environment. For more details on HUBR see their [website](#).

Student Housing market Spain

Higher education in Spain has experienced significant growth, modernisation, and internationalisation in recent years. As a result, 40% of Spaniards today have higher education levels than their parents. More young adults are choosing higher education, and the population aged 18-24 is expected to grow by 11% between 2018 and 2025.

This contributes to the growing demand for high-quality, purpose-built student accommodation among more than 1.6 million students enrolled at universities in the country. While there has recently been a surge in investments in student housing in Spain, demand is expected to continue to exceed supply for many years to come.

Spain is also a major destination for international students. Affordable living costs, mild weather, a rich culture and history coupled with a strong education offering has made Spain the top destination in Europe for students within the Erasmus program. Latin American students also see Spain as a highly attractive study destination.

Impact of the transaction on Xior's portfolio

Xior first entered the Iberian market in March 2019, and currently owns 4 operational student residences in Spain (two in Barcelona, one in Madrid and one in Granada) and holds three more residences in the pipeline (Malaga, Madrid and Barcelona). Together this stands for a total portfolio counting approx. 1,500 rooms.

In three years' time, (as per March 2021), Spain has already grown to represent 11% of Xior's total portfolio in terms of Fair Value, with a clear ambition to grow further. This acquisition would be a big step forward in Xior's Spanish portfolio and will help increase its footprint of high-quality purpose-built assets while strengthening its local operational platform in a fast growing, dynamic market. The total amount of rooms operated under the Xior flag in Spain will increase from 1,500 to 2,200 rooms.

Upon completion of this acquisition and including the current pipeline, Xior will be owner and operator of more than 17,500 student rooms spread over 32 cities in Belgium, the Netherlands, Spain and Portugal. All of which are built and operated to offer students a modern, healthy and safe environment to live, study and relax. Spain will represent approx. 15% of the company's portfolio with 10 student residences in the country.

The charts below show the theoretical impact of this transaction on the geographical diversification of Xior’s portfolio:



					Total
# cities	8	17	5	2	32
# assets	59	48	10	8	125
# units	4.732	8,386	2,198	2,227	17.543

Advisors

The companies have designated legal advisors: Pinsent Masons España S.L.P on behalf of SPS and Osborne Clarke for Xior.

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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 31 March 2021, Xior Student Housing held a property portfolio worth approximately EUR 1.573 billion. More information is available at www.xior.be.

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