

Xior Student Housing announces major next step in its international expansion: the acquisition¹ of a unique 939 MEUR² portfolio comprised of 11 prime PBSA³ assets with 5,341 units developed and operated by Basecamp

With this landmark transaction Xior enters Germany, Denmark and Sweden, accelerates its growth in Poland and consolidates its position as the number one continental European student housing platform

Post transaction, EPRA earnings per share are expected to increase from 2.00 to 2.07 EUR/share in 2022 and from 2.20 to 2.38 EUR/share in 2023



Xior Student Housing ("Xior") **makes a huge leap forward** in its international expansion plan by signing an agreement with Basecamp Group ("Basecamp"), European Student Housing Fund I ("ESHF I") and European Student Housing Fund II ("ESHF II") to acquire a **939 MEUR² portfolio of attractive, high-quality, PBSA³ assets** operated by Basecamp. This unique portfolio consists of **5,341 units spread over 11 newly-built, state of the art assets** (8 operational and 3 projects under development). All residences are situated in **top-tier student cities** in Germany, Poland, Denmark and Sweden. Basecamp is a specialised developer and operator of student housing with objective to create smart student living spaces perfectly located to universities.

The acquisition will lead to:

- **An increase of the total fair value of the portfolio⁴** to 3.7 billion EUR (+32%) adding 5,341 units in 9 leading university cities
- Xior enhancing its profile as the **number one student housing platform in continental Europe** with a portfolio of 26,526 units and a presence in 43 top-tier university cities in 8 countries, serving a target market of 8.5 million students
- Expanding Xior's geographical diversification by being immediately operational in the **German and Nordic student housing markets** and by supporting its ambition to **strengthen its position in Poland**
- Shifting up another gear in ESG by adding properties built to **BREEAM Very Good** or equivalent standards to the portfolio
- A landmark transaction that will create value for all shareholders of the pro forma group and will be **earnings accretive as of the first year** (including the c.252 MEUR capital increase)
 - **EPRA earnings per share** forecast for 2022 increases from 2.00 to 2.07 EUR/share resulting in a 2021-2022 EPS growth of 15%
 - **EPRA earnings per share** forecast for 2023 increases from 2.20 to 2.38 EUR/share resulting in a 2022-2023 EPS growth of 15%
 - **LTV post-transaction** expected to be c. 52%



Lyngby - Denmark



Malmö - Sweden

¹ Subject to EGM approval

² Includes the contribution of Basecamp

³ Purpose Built Student Accommodation

⁴ If the entire committed pipeline is completed



Christian Teunissen, CEO Xior: *"From Xior's start in 2007, we have continued to grow and professionalise. The company rapidly evolved from a small family business into a true professional student housing player. With this milestone acquisition of Basecamp, we will continue our growth story by adding not only 3 new countries, but also 11 state of the art, sustainable assets which are a perfect fit to our existing portfolio and future vision and will further strengthen our position as the market leader in continental Europe. I am confident that the combined expertise of our teams will help bring Xior to the next level."*



Armon Bar-Tur, Executive Chairman Basecamp: *"From its inception, Basecamp has been a pioneer in the regions in which it operates, with high quality student accommodation and a community led experience at its core. We outpace our competitors through our in depth understanding of the GenZ audience that we attract. Xior and Basecamp will revolutionise the PBSA market by bringing together our complementary portfolios of properties. We will offer students across Europe the opportunity to live in inspiring rooms and life-enriching shared spaces. Our teams are delighted to come together and continue the exciting evolution of PBSA."*

1. Key details of this transaction

Through this acquisition, two European market leaders join forces, creating continental Europe's largest student accommodation platform. The transaction consolidates Xior's position as the continental European listed leader in student housing. By adding 3 new countries to its portfolio, Xior accelerates its international expansion and enters some of Europe's wealthiest markets and largest student housing regions. This creates a truly unique continental European platform. The fair value of Xior's portfolio will increase by more than 32% and the number of lettable units rises by no less than 25%, an immediate win-win. In one fell swoop, Xior's targeted student accommodation market expands from 4.5 million to 8.5 million students, all located in largely undersupplied countries and cities.

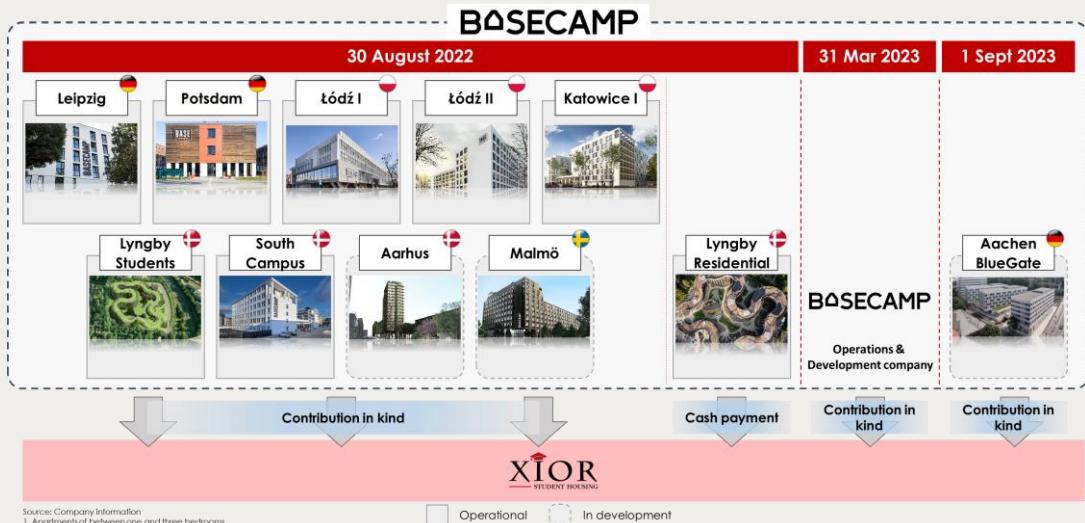
The acquisition of the 8 operational assets will generate rental income from day one and will result in economies of scale and savings. As such, the transaction will have an immediate positive impact on Xior's earnings. The expected EPRA earnings per share post acquisition is forecasted to increase from 2.00 EUR/share to 2.07 EUR/share for the financial year 2022 and from 2.20 EUR/share to 2.38 EUR/share for the financial year 2023.

Basecamp's extensive up and running high quality portfolio is comprised of 8 state of the art operational assets totalling 3,635 units, located in cities with exceptionally strong student demand in Germany, Denmark and Poland, and offering a unique student accommodation experience. In addition the acquisition includes 3 projects under development totalling 1,706 units in Germany, Denmark and Sweden. The residences are newly built and are designed to meet the highest ESG standards. The total investment value of this portfolio is 939 MEUR² and includes all operating assets, all operational teams and development pipeline at full cost, with an expected initial yield of 5.21% and assumed occupancy ratio of 97%.

The acquisition of the assets will be financed through a combination of c.252 MEUR equity through a contribution in kind, c.85 MEUR existing debt and c.301 MEUR new financing. A private placement undertaken by ESHF I and ESHF II will take place (as most of their shareholders do not have mandate to hold listed exposure), subject to market conditions, post-closing of the transaction to enable ESHF I and ESHF II to monetize part of their holding.

At a later point in time, contributions in kind of c.30 MEUR for Basecamp and c.150 MEUR for Aachen BlueGate will take place.

In addition, the costs to complete the three development projects are expected to amount to c.121 MEUR.



As a listed company, the transaction is signed but still subject to a number of conditions precedents including but not limited to Xior's shareholders' approval and the approval of the listing prospectus by the regulator (FSMA).

2. Basecamp's portfolio

Founded in 2014 by Armon and Amnon Bar-Tur, Justin Hamer and Dr. Andreas Junius, Basecamp focuses on student housing in Germany, Denmark and Poland and is currently extending its presence to Sweden (expected completion by 2023).

Basecamp's objective is to create smart, life enriching and state of the art student residences. The group is focused on a social experience, with residences located close to the city centres and universities.

Over the years, Basecamp has developed, operated and managed properties for the benefit of two alternative investment funds, ESHF I and ESHF II, who financed the development, operations and management of these properties.

The 8 operational assets stand for a total of 3,635 lettable units with an assumed occupancy rate of 97%. Next to these operational assets, three projects under development in Denmark, Sweden and Germany are also acquired, with a total of 1,706 units.

Beside the acquired portfolio, ESHF II has 7 projects under development.

A 100% rental guarantee will be provided by the sellers. This rental guarantee will run over a period of 18 months for the operational assets from the Closing of the transaction (excluding South Campus which will run for 12 months) and for a period of 24 months as from the opening date for the newly developed projects.

Portfolio Basecamp			
	Property	Country	# units
Operational	1. Potsdam	Germany	263
	2. Leipzig	Germany	385
	3. Łódź I	Poland	487
	4. Łódź II	Poland	631
	5. Katowice	Poland	733
	6. South Campus (Copenhagen)	Denmark	350
	7. Lyngby Student	Denmark	639
	8. Lyngby Residential	Denmark	147 ⁵
Pipeline	9. Aarhus	Denmark	663
	10. Malmö	Sweden	583
	11. Aachen BlueGate	Germany	460
Total			5,341



3. Widespread undersupply in the German, Nordic and Polish student markets

With a student population of 2.9 million, one of the largest student populations in Europe, Germany has seen its international student numbers growing by over 60% over the past decade. Germany's high-quality degree courses, increasing number of courses taught in English, and free tuition universities make it a popular choice for international students.

The Nordic student market is a highly attractive market with a diverse university offer, free tuition for EU students and a chronically undersupplied residential market. The majority of the current student accommodation supply is owned by social housing corporations, commercial investors and private investors, with the quality of the supply and levels of amenities and services varying greatly.

The Polish student market is characterised by strong growth potential and an attractive student market that is still in the early stage of development and can be compared to the student housing market in Western Europe in 2013-2014. With a growing international population and strong undersupply as accommodation is available for only 1 out of 10 students and the current student accommodation being mostly outdated and no longer meeting the requirements of modern students, there is a clear, unanswered need for quality student accommodation.

	Germany	Denmark	Sweden	Poland
Number of students	2.9m	0.4m	0.7m	1.2m
o.w. international students	11%	11%	6%	7%
PBSA supply rate	11%	22%	20%	10%
Number of higher education institutions	> 350	> 50	> 40	> 390

⁵ Apartments of between one and three bedrooms

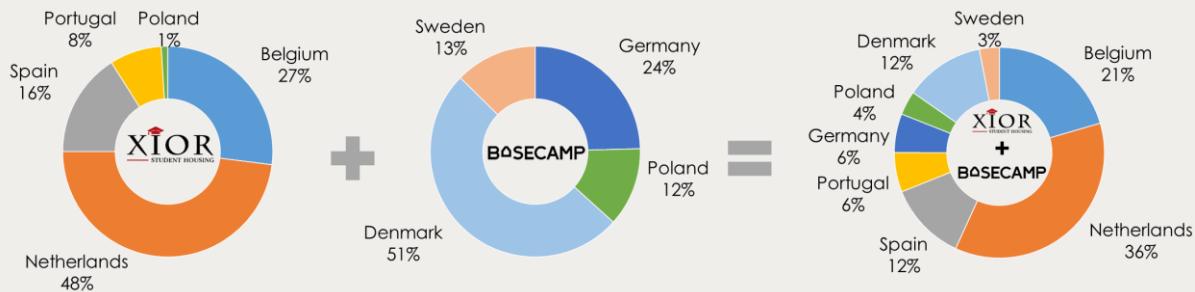
By adding these new markets to its portfolio, Xior's targeted student accommodation market will be expanded to 8.5 million students, all located in largely undersupplied countries and cities. Xior sees great potential in these markets and has the ambition, as owner and operator, to offer an answer to this structural shortage.

4. Impact of this milestone transaction on Xior

The acquisition of Basecamp is a major step forward in Xior's international expansion plans and will catapult Xior to the undisputable market leader in continental Europe. The combination of these two complementary portfolios will result in the first continental European PBSA platform consisting of high quality, sustainable and geographically diversified assets, which will all be owned and operated by Xior.

It will also increase Xior's geographic diversification and international footprint by adding 9 top-tier university city locations in 4 countries, accelerating Xior's international expansion ambitions. All the properties are built to BREEAM Very Good or an equivalent standard and are designed to prioritise demand-side energy management and automated monitoring, use energy efficient appliances and meet high levels of certified building efficiency. Additionally, the acquisition will leverage the existing platform and capabilities to create incremental value and cross sell.

Geographical split by value as of March 2022 (including pipeline, based on fair value)



The operational units will increase from 13,992 units in 4 countries to 17,627 units in 7 countries, based on March 2022 figures. Including the full committed pipeline of the combined group, the portfolio will grow to 26,526 units, spread over 43 cities in 8 countries by adding Sweden. Xior's gross asset value including fully committed pipeline is expected to increase to 3.7 billion EUR.

As of March 2022		XIOR STUDENT HOUSING	XIOR + BASECAMP
Total units	21,185		26,526
Of which in development units	7,193		8,899
#cities	34		43
#countries	5		8
Occupancy	98%		98%
Total workforce	209 ⁴		c.310 ⁵

As a result of this transaction, Xior's governance structure will be adapted to better match its expanded geographical and operational reach. In that light, and in recognition of the successful development of

⁴ Of which 17 contractors

⁵ Of which 32 contractors

Xior's Iberian operations into one of the undisputed market leaders in Spain and Portugal since first announcing its entry into the market just a little over three years ago, Bastiaan Grijpink will become Managing Director Southern Europe. In this role, he will spearhead the further rollout of the Xior growth plan across the different countries in Southern Europe.

The LTV post-transaction is expected to be c. 52%. EPRA earnings forecast for 2022 increases from 2.00 to 2.07 EUR/share resulting in a 2021-2022 EPS growth of 15%. EPRA earnings forecast for 2023 increases from 2.20 to 2.38 EUR/share resulting in a 2022-2023 EPS growth of 15%.

5. Structure of the transaction

The transaction has been structured into three phases:

- i) ESHF I and ESHF II will contribute the portfolio of assets (except for Lyngby Residential and Aachen BlueGate) to Xior against issuance of new shares in Xior. A private placement undertaken by the ESHF I and ESHF II will take place subject to market conditions, post-closing of the transaction to enable the ESHF I and ESHF II to monetize part of their holding. In addition, Xior will acquire the shares in the Danish operating companies (including indirectly Lyngby Residential) from Basecamp by way of a straightforward sale of shares against payment in cash. The closing of this first phase is envisaged for 30 August 2022.
- ii) The shareholders of Basecamp will contribute Basecamp to Xior against issuance of new shares in Xior through the exercise of a call/put option which is expected to take place in March 2023. The newly issued shares will be subject to a lock-up of 6 months for the shareholders of Basecamp.
- iii) ESHF II will contribute Aachen BlueGate to Xior against issuance of new shares in Xior through the exercise of a call/put option which is expected to take place in September 2023.

6. Expected Timetable

Tentative key dates

Prospectus approval	26 July 2022
Prospectus publication	26 July 2022
Convening of EGM I	29 July 2022
Publication of HY 2022 results	5 August 2022
Extraordinary General Meeting I	30 August 2022
Contribution in kind of the asset portfolio ⁶ and acquisition of Danish operational companies ⁷	30 August or 19 September 2022 ⁸
Extraordinary General Meeting II ⁹	19 September 2022
Contribution in kind of Basecamp	31 March 2023
Contribution in kind of Aachen BlueGate	1 September 2023

7. Advisors

The companies have appointed the following financial and legal advisors: ING and Freshfields Bruckhaus Deringer for Xior and JP Morgan and Paul Hastings for Basecamp.

⁶ Except for Lyngby Residential and Aachen BlueGate

⁷ Including indirectly Lyngby Residential

⁸ Depending on outcome EGM 1

⁹ If required

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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 2022, Xior Student Housing held a property portfolio worth approximately EUR 2.01 billion. More information is available at www.xior.be.

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