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This universal registration document (URD) has been filed with the Belgian Financial Services and Markets Authority (FSMA), as the competent authority in accordance with Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of Regulation (EU) 2017/1129.

The universal registration document may be used for the purpose of an offer of securities for trading on a regulated market, provided that it has been approved by the FSMA, together with any amendments and a securities note and summary approved in accordance with Regulation (EU) 2017/1129, where applicable.

This annual financial report is also available in Dutch.

The annual financial report was translated into English under the responsibility of Xior Student Housing NV. Only the Dutch version of the annual financial report has evidential value. Both versions are available on the Company website (www.xior.be) or from the registered office on request (Xior Student Housing NV, Mechelsesteenweg 34, Box 108, 2018 Antwerp, Belgium).

Alternative Performance Measures and the term 'EPRA earnings'

Alternative performance measures (APMs) are measures used by Xior Student Housing NV to measure and monitor its operational performance. The European Securities and Markets Authority (ESMA) has issued guidelines applicable as from 3 July 2016 for the use and explanation of alternative performance measures. The concepts considered by Xior as APMs are contained in Chapter 10.8 of this Annual Report. The APMs are marked with a 🏠 and are accompanied by a definition, an objective and reconciliation as required under the ESMA guidelines

The European Public Real Estate Association (EPRA) is an organisation which promotes, helps to develop and represents the European publicly listed real estate sector in order to boost confidence in the sector and increase investment in publicly listed real estate in Europe. For more information about EPRA, visit the website www.epra.com.

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Risk management

Below is an overview of risks that the Company has identified as specific and significant to Xior Student Housing. The negative effect on the Company and the likelihood of their occurrence were taken into account. In the order of the risk factors per subcategory, the most significant risk factors were mentioned first. In principle, the risk factors may refer to Belgium, the Netherlands, Spain or Portugal (or any other countries in which the Company were to operate in the future), although for certain risk factors a specific distinction is made below between Belgium, the Netherlands, Spain and Portugal where circumstances differ substantially between these countries. The Board of Directors and management of Xior are aware of the specific risks associated with the provision and management of a property portfolio, and try to optimally manage these risks by mitigating or neutralising them as far as possible.

1.1

MARKET RISKS

1.1.1 RISKS ASSOCIATED WITH SUPPLY AND DEMAND IN THE STUDENT HOUSING MARKET

The Company's income and portfolio value are to a very large extent related to property focusing specifically on student housing. This type of property makes up the vast majority of the Company's property portfolio (86.2% based on the Fair Value of the portfolio on 31 December 2019). The rent level and property valuation are strongly influenced by the supply and demand to buy or rent on the property market. The demand for student housing, and therefore the Company's financial situation, can be significantly negatively affected by a decline in student populations, which could be due to the study programmes on offer and/or the (continued) presence and quality of educational institutions, or by the increase in online courses, such as Massive Open Online Courses (MOOCs), for which study materials are distributed via the internet, so participants do not need to relocate and are not bound by any particular location. The demand for student rooms can also be adversely affected if any government financial aid to students (such as loans, subsidies, (housing) allowances or student grants) is scaled back or if educational institutions decide to raise their registration fees. Such a decline in demand for student housing may or may not be local, may affect a particular area of a student town, entire student town or even the entire student population in a particular country and will result in lower demand when the lease agreements are renewed with existing tenants or when new lease agreements are signed. This could then cause the occupancy rate or rent to fall, which would have a direct negative impact on the Company's income and an indirect effect on the value of the property held by the Company in its portfolio. Any oversupply of property specifically dedicated to student housing (from which the Company generated 94% of its gross rental income as of 31 December 2019) could lead to both a reduction in the value of the Company's property as well as a reduction in the rents the Company could charge to its tenants and therefore in the Company's income. As the property held by the Company was largely let on fixed term contracts (of one year or less), such a decrease in rents could relatively quickly (and more quickly than for property investments in other property sectors such as residential, commercial or retail property characterised by longer-term contracts) follow such an evolution in the supply of, or demand for, student housing in a certain region. For a detailed description of the Company's activities in this regard, please refer to *Chapter 4.1 of the Annual Financial Report 2019*.

Control:

- Before investing in a property, the market potential is thoroughly assessed in order to establish whether there is still sufficient demand for student properties in that location, what type of property is most sought after (room vs. studio) and so on.
- Geographical diversification of the property portfolio across several countries and cities, and a selection of triple-A locations for properties in large, established student cities.
- Tenant diversification.
- The property is valued quarterly by an independent valuation expert. This makes sure that any changes in the market situation quickly become apparent so that the necessary measures can be taken.
- The management's knowledge of and experience with the student property market.
- Diversification of different types of student housing in the portfolio to ensure suitable rooms for several tenant segments.
- It offers quality accommodation and the associated services that are still in high demand and are expected to continue to be in high demand.

Potential impact:

- Decrease in rental income.
- Decrease in the Fair Value of the property.
- As a result of a fall in the Fair Value of the Property, a fall in the NAV and an increase in the debt ratio.
- As a result of lower rental income, a lower distributable result and lower dividend.

1.2

PROPERTY-RELATED RISKS

1.2.1 RISKS ASSOCIATED WITH THE EXECUTION OF WORKS, MAINTENANCE AND REPAIRS

The Company may be obliged to carry out major renovation and investment programmes to bring the property held by the Company up to the desired level of maintenance and keep it in a proper qualitative condition, or because of stricter government requirements regarding the technical condition of the property and student housing and/or residential property (with regard to living comfort or fire safety, for example). Besides major maintenance works, smaller works will be needed because of the age or wear and tear on the buildings (due to normal, structural and technical ageing) and their contents (since rooms are normally always rented furnished) or because of damage to the buildings or contents. There is also the risk that the buildings will not, or will no longer, comply with increasing regulatory or commercial requirements, including in the area of sustainable development (energy performance and so on), and should be adapted accordingly. These works may lead to substantial costs and may temporarily prevent the rental of (part of) the property in question, which may have a negative effect on the Company's income. The average age of the properties in the Company's portfolio is 4 years, and the cost of such maintenance in 2019 was approximately KEUR 1,282 or 0.01% of the portfolio's Fair Value. For a detailed description of the Company's activities in this regard, please refer to *Chapter 4.1.3 of the Annual Financial Report 2019*. With regard to the processing of these costs, please refer to *Chapter 10.6.9 of the Annual Financial Report 2019*.

Control:

- The Company ensures that new buildings are built in compliance with the statutory and technical requirements, and requires by contractual mechanisms that these requirements are also met for renovations or acquisitions of existing properties.
- Certain maintenance is charged to the tenant (e.g. in case of rent damage) where possible (and allowed), as provided for by the general terms and conditions of the lease contracts.
- Proactive management: the necessary maintenance is executed periodically to keep the properties in a good condition.
- Constant property screening by operational and technical teams.

Potential impact:

- Decrease in rental income due to temporary unavailability of the buildings.
 - Increase in maintenance costs.
 - Decrease in the Fair Value of the property.
 - As a result of a fall in the Fair Value of the Property, a fall in the NAV and an increase in the debt ratio.
 - As a result of lower rental income and an increase in maintenance costs, a lower distributable result and lower dividend.
-

1.2.2 CONSTRUCTION, DEVELOPMENT AND CONVERSION RISKS

In addition to acquiring existing properties, the Company invests in development and conversion projects in order to expand its property portfolio. As of 31 December 2019, the Company has development and conversion projects for 7.9% of its portfolio, which corresponds to 994 student units out of a total of 12,606 after the finalisation of such projects. As of 31 December 2019, the Company has the following (re)development projects in its portfolio, which are not fully 'turnkey' and for which it therefore bears a certain degree of development risk itself: Lutherse Burgwal (Netherlands), Bagatten (Belgium), Keesomlaan Amstelveen (Netherlands), Bokelweg (Netherlands), Eendrachtsskade (Netherlands) and the new development on the sites of UEM (Madrid). Development and conversion projects are associated with various risks. These include specific situations when the necessary permits to erect or convert a building are not granted (see also Risk factor 1.2.3) or contested, the project is delayed or cannot be executed (resulting in reduced, delayed or lost rental income) or the budget is exceeded due to unforeseen costs. A building conversion takes about two years on average (including the planning permission period). After the necessary permits are obtained, the work can only start once the rental agreements with the office tenants have come to an end. The terms of these rental agreements may not correspond to the final permit process: the rental agreements may expire too early – resulting in rental voids – or they may expire too late – meaning that the work cannot start immediately after the permit is obtained. The Company also has development projects that are delivered turnkey, for which the construction and permit risk lies with a third party and not with the Company. This includes Project region Amsterdam, Collblanc in Barcelona, Project Granjo in Portugal and the U.hub projects in Portugal for a total of 3,333 units.

Control:

- During the execution of (re)development projects, the Company strictly supervises budget control (for example by concluding a fixed-price building contract where possible).
- Upon completion of the projects to be developed, the property is only transferred and the corresponding price is only paid when the project is already at an advanced stage or completed.
- Cooperation with reputable, solvent contractors.
- Close follow-up by a project manager to ensure that the construction work is executed according to the agreements that were made and the current rules and regulations.

Potential impact:

- In the event of delay or non-execution, reduction of expected rental income.
- Exceeding the construction budget, which can lead to a negative adjustment of the Fair Value, which also has an impact on the project profitability.
- Decrease in the Fair Value of the property.
- As a result of a fall in the Fair Value of the Property, a fall in the NAV and an increase in the debt ratio.

1.2.3 RISKS RELATED TO PERMITS AND OTHER AUTHORISATIONS AND REQUIREMENTS THE PROPERTY NEEDS TO MEET

Real estate must comply with legal requirements before the property can or may enter into operation. In addition, regulatory requirements may be imposed on properties, in particular in the student housing segment (from which the Company generated 94% of its gross rental income as of 31 December 2019) and/or residential property (e.g. in terms of living comfort or (fire) safety), local differences and their interpretation and/or application may also depend on the authorities involved (which, in student cities, often have their own policy with regard to controlling the supply and monitoring the

quality of student housing), which may be an uncertain factor in meeting such regulatory requirements. There is also the risk that the buildings will not, or will no longer, comply with increasing statutory or commercial requirements, including in the area of sustainable development (energy performance and so on). The absence of the required permits or the failure to comply with permits or other regulatory conditions could result in the Company being temporarily or permanently unable to let the property concerned for the purpose of performing certain activities, as a result of which the property can't be let or can only be let at lower rents. In this case, the Company's property may be the subject of regularisation procedures, which may be accompanied by adjustment works, may involve additional conversion costs and may also restrict a building's letting potential (and the resulting revenues). An urban construction offence may also result in penalties for as long as the offence is not barred by limitation, even if a regularisation permit has been obtained and after the rules have been fulfilled by demolishing the unlawful structures.

Control:

- Developments for which the Company bears the licence risk are the exception. If the Company does bear that risk, an attempt is made in the preparation phase already to achieve a position that is as comfortable as possible in terms of the permit's feasibility (for example preliminary assessment with the relevant government body).
- The monitoring of existing, potentially changing or future new legislation and regulations and their compliance with the support of external specialist advisers.
- Interaction and dialogue with the authorities involved.
- Verification of the permit status for the acquisition of existing properties with the support of external specialised advisers.

Potential Impact:

- Due to (temporary) unavailability, reduction of expected rental income.
- Additional (regularisation) work to be carried out, which can lead to a negative adjustment of the Fair Value, which also has an impact on the project profitability.
- Decrease in the Fair Value of the property.
- As a result of a fall in the Fair Value of the Property, a fall in the NAV and an increase in the debt ratio.

1.2.4 RISKS ASSOCIATED WITH THE EVOLUTION OF THE FAIR VALUE OF THE PROPERTY PORTFOLIO

The Company is exposed to fluctuations in the Fair Value of its property portfolio (between 1 January 2019 and 31 December 2019, the Fair Value of the property portfolio changed by +2.3%). The Company is also at risk of the impairment of the property in its portfolio due to wear and tear caused by normal, structural and technical ageing and/or damage caused by tenants, increasing rental voids (caused by a student housing oversupply, for example), unpaid rent, falling rent when new rental agreements are signed or existing rental agreements are extended (caused by a student housing oversupply, for example) and due to incorrect plans and/or measurements that were used to assess the property value for acquisition. Such impairment has a negative impact on the Company's financial position and specifically leads to a decrease in the Company's equity and an increase in the debt ratio. If the Company proceeds with a transaction and therefore invests in or disposes of property, it also runs the risk of not identifying certain risks based on its due diligence or, despite advance due diligence and an independent property appraisal, it may purchase property at too high a price in relation to the underlying value or sell property at too low a price in relation to the underlying value. For a description of the relevant property market, please refer to *Chapter 8.1 of the Annual Financial Report 2019*, as well as to the press release dated 13 March 2019, which in particular describes the relevant property market in Spain and Portugal.

Control:

- The Company conducts a standard due diligence investigation before making a purchase.
- The investment properties are valued by an independent valuation expert before purchase and, from then on, quarterly. This makes sure that any changes in the market situation quickly become apparent so that the necessary measures can be taken.
- Geographical diversification of the property portfolio across several countries and cities, and a selection of triple-A locations for properties in large, established student cities.
- A clearly defined and carefully managed capital structure. The intention not to let the debt ratio exceed 55% (except for temporary exceptions), which is significantly below the legal maximum of 65%.

Potential impact:

- Decrease in the Fair Value of the property.
- As a result of a fall in the Fair Value of the Property, a fall in the NAV and an increase in the debt ratio.

1.2.5 RISKS ASSOCIATED WITH PROPERTY APPRAISAL

The valuation expert values property based on standard criteria. Even so, there is a certain degree of subjectivity involved in valuation experts' appraisals of properties. Each valuation therefore involves some uncertainty. Property appraisal reports may be based on hypotheses that subsequently prove to be incorrect, unadjusted or outdated. In such a case, there is a risk that the Company's property portfolio will be valued on a different basis, which may result in significant deviations from the property portfolio's appraisal by the current valuation experts. When a new valuation expert is appointed, there is also a risk that the Company's property portfolio will be valued on a different basis, which may result in significant deviations from the property portfolio's appraisal by the current valuation experts.

Moreover, and this distinguishes the Company as a public RREC from other companies investing in property, the Company has no option to deviate from the valuation as drawn up by the property experts, as this is an obligation under the RREC statute. For the valuation principles and methodology, please refer to *Chapter 8.2.4 of the Annual Financial Report 2019* or *Chapter 4.2.3 of the Half-Yearly Financial Report 2019*.

Control:

- A thorough analysis of the valuation reports and parameters used.

Potential impact:

- Decrease in the Fair Value of the property.
- As a result of a fall in the Fair Value of the Property, a fall in the NAV and an increase in the debt ratio.
- Partial or total inability to distribute dividends if accumulated negative changes in fair value exceed the distributable reserves.

1.2.6 RISKS ASSOCIATED WITH CO-OWNERSHIP

The Company has about fifteen co-owned properties as of 31 December 2019, which represented a total of approximately 7.7% of the portfolio's Fair Value on 31 December 2019 and accounted for 6.9% of the Company's total rental income as of 31 December 2019). Buildings co-owned by the Company may be associated with specific risks with regard to the rules applicable to the co-ownership in question. Due to certain rights aimed at the co-owners' participation and protection, those rules may specifically result in the Company's exposure to additional costs, its inability to perform certain maintenance operations for its own real estate or the common areas at all or in the way it prefers, and its required compliance with certain restrictions on the property's use, availability or utilisation. Moreover, abuse of such procedures and rights by one or more co-owners may lead to a situation of blocking, which may cause additional costs and delays.

Control:

- Proactive approach and continuous dialogue with the co-owners to develop constructive solutions in the interest of all co-owners.

Potential impact:

- Blocking or delay of the work to be carried out.
- The above may lead to loss in value of the property and loss in rental income.
- As a result of the above, a decline in NAV and fall in the distributable result with an impact on the dividend.

1.3 OPERATIONAL RISKS

1.3.1 RISKS ASSOCIATED WITH RENTAL AGREEMENTS, RENTAL VOIDS AND LOSS OF RENT

Due to its activities, the Company is exposed to the risk of loss of rent associated with the departure of tenants before or on the expiry date of current rental agreements, including the additional risk of non-rental or re-rental. The short-term nature of the rental agreements the Company concludes with students, which tends to be less than one year, is generally inherent to the student housing sector (from which the Company generated 83% of its gross rental income as of 31 December 2019). When tenants leave, new rental agreements may result in a lower rental income than the current rental income and it may not be possible to reduce the rental-related expenses in proportion to the lower rental income. Belgian law, under which the Company had generated 23% of its rental income on 31 December 2019, states that the municipalities involved may charge rental void levies for buildings that have been vacant for a long time, which is an added risk. In the Netherlands, the various municipalities have their own regulations and obligations to avoid long-term rental voids in buildings. In Spain, the local authorities have also issued local regulations against rental voids and impose fines where appropriate. For example, the city of Barcelona has recently announced that it is going to fully implement the existing urban regulations in the region and impose fines where appropriate, which had not been the case before. In Portugal, there are no relevant

laws or regulations in this regard for now. According to Dutch law (under which the Company had generated 57% of its rental income as of 31 December 2019), campus contracts (which are contracts based on the tenant's qualification as a student) must be terminated when the studies end (and the student has to leave the room within a six-month period). Contracts may also be terminated with a one-month notice period for the tenant. In the Netherlands (where the Company generated 57% of its rental income as of 31 December 2019), the government also applies the Housing Assessment System ('woningwaarderingstelsel' or WWS) to regulate the price level of the 'social' rental market in contrast to the deregulated rental market, where no restrictions apply on rent levels. In order to determine whether a property qualifies for a liberalised rent (and the landlord is therefore free to determine the rent), the theoretical rent calculated in accordance with the WWS must be above a certain level (the 'rent liberalisation limit', which is set at EUR 720.42 for 2019), which makes this system relevant to liberalised renting as well, since a tenant of a 'liberalised' dwelling is also entitled, if they are of the opinion that the theoretical rent value is below this limit, to have the tenancy commission rule on this (as of 31 December 2019, the rent of 90% (by number of units) of the Dutch portfolio shall be capped under the WWS). This WWS includes the so-called 'points system'. A property is valued based on a series of characteristics (such as surface area, quality, location and energy performance), which are given a score. In the end, the total score determines the rental value, which is the maximum rent for the residence. Certain elements in the calculation can be measured completely objectively, but some elements require subjective assessment or are open to interpretation. If it is observed that the landlord did not comply with the points system (with rent exceeding the rental amount specified by the points calculation or because of a mistake in the points calculation that determines the rent), there is a risk that tenants seek redress from the tenancy commission for a price reduction and the retroactive recovery of any overpaid amounts. If a tenant succeeds in such a claim, there is also the risk that other tenants in similar circumstances can also make a claim. A change to this points system may also have a negative impact on the Company's rental income collected and/or to be received. For Spain and Portugal, it should be pointed out that the occupancy rate (for units let directly to students) comprises two distinct periods: first, the ten-month academic year during which leases almost exclusively cover the academic year and often cover an even shorter period (for foreign students participating in exchange programmes for one semester or on a monthly basis) and second, the two-month summer period, which is characterised by shorter leases (at higher rental prices). On this basis, the Spanish and Portuguese student housing markets are therefore characterised by a higher "frictional vacancy rate" and a higher management overhead (frequent check-in and check-out, administrative processing, marketing efforts) than the Belgian and Dutch markets.

Control:

- Diversification of different types of student housing in the portfolio to ensure suitable rooms for several tenant segments.
- Xior offers quality accommodation and the associated services that are still in high demand and are expected to continue to be in high demand.
- Geographical diversification of the property portfolio across several countries and cities, and a selection of triple-A locations for properties in large, established student cities.
- Cooperation and good relationships with colleges and universities.
- Strict application of the points system and regular inspection of units/objects in terms of their compliance with the applicable rules.
- Monitoring the latest changes in the points system regulations.

Potential impact:

- Reduction of the expected rental income in the event of a change in the WWS-system.
- Loss of rental income and risk of repayment of previously collected rent.
- As a result, a decrease in the distributable result and a decrease in the dividend.

1.3.2 RISK OF DEFAULTING TENANTS

The Company cannot rule out the possibility that its tenants may fail to fulfil their financial obligations towards the Company. In the Company's student housing segment, this risk increases when leasing directly to students (which was the case for approximately 83% of the Company's student housing rental income on 31 December 2019) and this risk decreases when leasing indirectly to students via housing organisations linked to a college or university (which was the case for approximately 10% of the Company's student housing rental income on 31 December 2019). However, this also means that in the second case of indirect rental to students the counterparty risk is situated with one party only, whereas in the first case of direct rental to students the counterparty risk is spread. The Company has many different tenants, which make follow-up more intensive, but on the other hand the risk is also limited as the amounts per tenant are relatively small. If tenants remain in default of their obligations towards the Company, there is a risk that the guarantee will not suffice, that the Company will be unable to have recourse against the tenant and consequently be unable to recover anything or only a small amount from the defaulting tenant. In addition, the default of tenants and the follow-up of these debtors give rise to additional internal and external costs (sending formal notices, summonses, legal costs).

Control:

- Rental deposit, which generally corresponds to two months' rent.
- Advance payment of rent.
- Concluding long-term lease contracts with colleges or universities for some of the rooms in the portfolio.
- Under Belgian law, the Company, as the landlord, has a preferential right to the contents of the let building.

Potential impact:

- Loss of receivables
- Additional (internal and external) costs for monitoring debtors
- As a result, a decrease in the distributable result and a decrease in the dividend

1.3.3 RISKS ASSOCIATED WITH NUISANCE CAUSED BY STUDENT TENANTS

Because the Company's activity is letting property directly or indirectly to mostly students (86.2% of the Fair Value of the portfolio on 31 December 2019 and 94% of its gross rental income), there is an increased risk (compared with other real estate (sub)sectors) that it may be faced with complaints due to nuisance or disturbance of neighbours, or that administrative or other measures may be imposed in relation to the buildings in its property portfolio. Such complaints and measures may result in additional costs and reduced income both directly and indirectly (due to reputational damage, disruption of the relationship with the relevant authorities or the reduced lettability of the premises concerned). There is also an increased risk (compared to other real estate (sub)sectors) that tenants may engage in certain activities in the property in question that are not permitted by the applicable legislation and/or rental contract without informing Xior. Such activities could result in government enforcement and even the (temporary) closure of the building in extreme circumstances. For the Company's initiatives in this regard, please refer to the heading *Neighbours in *Chapter 9.4.4 of the Annual Financial Report 2019*.

Control:

- Having student coaches present permanently (in larger building complexes) or on a regular basis (in smaller buildings).
- Follow-up of waste collection.
- Proactive instructions and accountability to avoid any inconvenience to fellow building residents and neighbours, including clauses on this subject in the lease contract's general terms and conditions.

- Encouragement of social control by having section and/or building managers present where appropriate.
- Appropriate response to possible disturbances by adjusting the building's management and/or by taking individual measures against the tenant in question and by possibly terminating the tenant's lease in extreme circumstances.

Potential impact:

- Loss of permit to operate a building as student property.
- Loss of relationship with the relevant authorities, universities, etc.
- Reduced lettable of the premises concerned.
- As a result, additional costs, reduction of rental income and decrease in the Fair Value.
- Decrease in distributable result and dividend.

1.3.4 RISKS ASSOCIATED WITH MERGERS, DE-MERGERS OR TAKEOVERS

In order to structure and acquire its real estate portfolio, the Company has engaged in mergers, de-mergers and other takeover transactions in the past, and is expected to continue to do so in the future. By their very nature, such transactions transfer all the liabilities of the real estate companies concerned, including those that the Company may not have been able to reveal in the context of its due diligence investigations and those that the Company may not have been able to hedge with guarantees in the relevant takeover agreements. This may be partly due to the transferors' non-compliance with certain obligations or their inability to present certain documents (such as provisional or final acceptance documents, insurance documents, electricity records, post-intervention files and fire safety inspection reports). The stipulated warranties are moreover limited in time and sellers normally place a cap on their liability under them. Lastly, the Company continues to be faced with the risk of insolvency of its counterparty.

Control:

- Economic, strategic and property analysis prior to any acquisition.
- Execution of legal, tax, financial and technical due diligence by the Company and/or by the external reputable parties.
- Obtaining the necessary market-based declarations and guarantees that take into account the transaction's own characteristics.
- An advance estimate by an independent valuation expert of the property units to be acquired.

Potential impact:

- Undervaluation of liabilities and overvaluation of assets that cannot be recovered from the seller.
- Impact on distributable result and dividend.

1.3.5 RISKS ASSOCIATED WITH DIVERSIFICATION AND THE CONCENTRATION OF PROPERTY

In order to limit and spread certain risks, the Company must diversify its assets in terms of investment property, geographical region and category of user or tenant, in accordance with the Legislation on Regulated Real Estate Companies. Article 30 of the Law on Regulated Real Estate Companies stipulates that no transaction performed by the public RREC will result in (1) more than 20% of its consolidated assets being invested in real estate or assets held to perform the activities permitted for a RREC listed in Article 4 of the Law on Regulated Real Estate Companies that constitutes one asset unit, or (2) a further increase in this percentage if it already exceeds 20%, regardless of what originally caused the percentage to exceed 20%

in this latter case. This restriction applies at the time of the transaction concerned. If the Company exceeds the 20% diversification rule, it must not perform any investment, disinvestment or other acts that would cause this percentage to increase further. In other words, the application of this rule limits the Company's possibilities for additional investments or divestments. This may mean that it is not able to take advantage of certain opportunities or has to take certain steps to control this percentage, which it would not have to do if it did not have Public RREC status. On 31 December 2019, this 20% threshold represented EUR 256 million, with the largest property in the portfolio, the property in Madrid consisting of the residences Xior Picasso and Xior Velázquez, representing 6.7%.

Control:

- Calculation of the '20% asset unit threshold' to ensure the Company's compliance with Article 30 of the Belgian Law on Regulated Real Estate Companies (*GVW-Wet*).
- Geographical diversification across various countries and cities.
- Diversification depending on market potential based on economic market analyses.
- Striving for optimal mix of unit types.
- Tenant diversification.

Potential impact:

- Reinforced effect of decrease in the Fair Value of the property and as a result a decrease in the NAV if concentration of investments in one or more buildings.

1.3.6 RISKS ASSOCIATED WITH EXECUTIVE MANAGEMENT, STAFF AND EXTERNAL SERVICE PROVIDERS

In view of its relatively small team of employees, the Company is exposed to a risk of disorganisation should certain key employees leave. Specifically, the departure of one or several members of the executive management or the termination of their mandate may expose the Company to a risk of material disruption. The Company also works with external service providers (for legal support and maintenance services, for example) and therefore relies on the proper performance of these services. In addition, the Company has experienced exponential growth, with the risk that this growth may not be sufficiently absorbed by the organisation. Important information and knowledge can be lost when key people leave.

Control:

- The creation of a pleasant, motivating working environment at the Company.
- Market-based pay for the management and staff.
- Formal evaluation process.

Potential impact:

- Loss of decisiveness and efficiency in the management decision-making process.
- Negative influence on existing business relationships.
- Reputational damage to interested parties.

1.3.7 RISKS ASSOCIATED WITH (THE INABILITY TO PAY) DIVIDENDS

In its capacity as a public RREC, the Company must pay out a minimum amount in remuneration of capital each year under the Legislation on Regulated Real Estate Companies and Article 34 of the Company's Articles of Association. At least 80% of the corrected positive net result (pursuant to Article 13 of the Royal Decree on Regulated Real Estate Companies) minus the net reduction in the Company's debt in the course of the financial year must be paid as remuneration of capital. This distribution obligation is subject to two restrictions. Firstly, it must not lead to the payment of an amount that may not be distributed in accordance pursuant to Article 7:212 of the Companies and Associations Code and secondly, such distribution is not possible if, following the distribution, the debt ratio (separate and consolidated) would exceed the limit of 65% of the standalone or consolidated assets. No guarantee can be given that the Company will be able to make dividend payments in future. Even if the Company's properties are yielding the expected rental income and operational profit, it may become technically impossible for the Company to pay a dividend to its Shareholders in accordance with Article 7:212 of the Companies and Associations Code and Legislation on Regulated Real Estate Companies. In view of the fact that the Company had limited or no reserves at the time of its inception (recognition as a regulated real estate company and flotation) and, given the mandatory distribution as mentioned above, could only slowly build up (taking into account the 2018 profit appropriation, KEUR 3,947 of distributable reserves have been built up since 2015), a decrease in the fair value of the investment properties or a decrease in the fair value of hedging instruments could result in the Company not being able to pay a dividend despite the positive operating result.

Control:

- Regular comparison and analysis of achieved results in comparison with the budget and the implementation of adjustments where necessary.
- Periodic monitoring of the dividend distribution capacity.

Potential impact:

- Loss of investor confidence.
- More difficult access to capital markets, which may lead to delays in the implementation of the growth strategy.

1.4 FINANCIAL RISKS

1.4.1 RISKS ASSOCIATED WITH RISING INTEREST RATES AND FLUCTUATING FAIR VALUES OF HEDGING INSTRUMENTS

Because the Company is (significantly) financed by loan capital (the debt ratio on 31 December 2019 was 45.67%), its performance depends on interest rate developments. An increase in the interest rate makes loan capital financing more expensive for the Company. In order to hedge the long-term interest rate risk, the Company may use interest rate swaps for variable-rate loans. For example, if the Euribor rate falls, there will be a negative adjustment of the market value of these instruments. It is moreover not certain that the Company will find hedging instruments that it wishes to take out in future, or that the conditions associated with these hedging instruments will be acceptable.

Control:

- The Company aims to hedge its loans up to 80-85%. It prefers to establish fixed hedges for as long as possible (always taking into account the costs).
- Financing contracts with different durations are concluded in order to spread the interest rate revisions.
- Follow-up of interest rate evolutions on the market.

Potential impact:

- If interest rates rise and there is insufficient hedging of interest rates, this can have a negative impact on the distributable result and the dividend.

1.4.2 RISKS ASSOCIATED WITH FINANCING – EXCEEDING THE DEBT RATIO

The Company's borrowing capacity is restricted by the statutory maximum debt ratio of 65% that is permitted under the Legislation on Regulated Real Estate Companies. This debt ratio must be respected at both statutory and consolidated levels. The financing contracts with financial institutions also include certain thresholds. The maximum debt ratio enforced by the financial institutions is 60%. Under these debt ratio limitations, it is generally possible that the Company can no longer obtain the external financing required for its growth strategy under favourable terms and conditions, and that the external financing required for the Company's activities cannot be found due to the current market conditions. The Company runs the risk that financial agreements are terminated, renegotiated, cancelled or given an early repayment obligation if certain obligations such as compliance with financial ratios are not met. On 31 December 2019, the consolidated debt ratio was 45.67%. In accordance with Article 24 of the Royal Decree on Regulated Real Estate Companies, the Company must draw up a financial plan describing the measures it will take to stop the consolidated debt ratio from exceeding 65% when the Company's consolidated debt ratio exceeds 50% and the Company's Statutory Auditor must draw up a special report on this financial plan, confirming that they have verified how the plan was drawn up, in particular with regard to its economic foundations, and that the plan's figures are in line with those of the Company's accounts. The financial plan and the Statutory Auditor's special report are submitted to the FSMA for information in accordance with Article 24 of the Belgian Royal Decree on Regulated Real Estate Companies. The Company must also include the general guidelines of this financial plan in its annual and half-yearly financial reports. These financial reports must describe and justify (a) how the financial plan was implemented during the relevant period, and (b) how the Company will implement the plan in the future.

Control:

- Spreading the financing sources between equity and loan capital.
- Monitoring compliance with the covenants and obligations included in the financing agreements.
- Constant follow-up and simulation of the impact of investments on the debt ratio.
- Diversification of the maturities of financing contracts.
- Preparation of a financial plan, see Article 24 of the Belgian Royal Decree on Regulated Real Estate Companies (GVV-KB).
- Securing access to the capital market by providing transparent information, by staying in regular contact with financiers and (potential) investors, and by increasing stock liquidity.

Potential impact:

- If the covenants imposed by the banks are exceeded, the loans may have to be repaid prematurely, which may result in property having to be sold.
- If the legal debt ratio is exceeded, property may have to be sold in order to bring the debt ratio back below the legal limit, or the Company may be unable to take advantage of interesting opportunities or continue its growth.

1.4.3 RISKS ASSOCIATED WITH FINANCING – LIQUIDITY

The Company is moreover exposed to a liquidity risk if its financing agreements, including existing lines of credit, are not renewed, not renewed on time or terminated. On 31 December 2019, the Company has confirmed credit lines for EUR 711 million, of which EUR 208 million has not yet been drawn down.

Control:

- Conservative, cautious financing strategy with a balanced diversification of debt due dates, diversification of financing sources and an extensive group of stable partner banks.
- Sufficient available credit lines to finance operational costs and planned investments.
- Constant dialogue with investors and partner banks to develop solid long-term relationships.

Potential impact:

- Inability to further develop the growth strategy in the absence of sufficient financial resources.
- Inability to finance acquisitions or projects.

1.4.4 RISKS ASSOCIATED WITH INFLATION AND THE DISCONNECTION OF THE INDEXED RENTS AND MARKET RENTS

Inflation may result in an increase in financing costs (following an increase in interest rates) and/or a rise in capitalisation rates and may lead to a fall in the Fair Value of the property portfolio and a reduction in Company equity. For approximately 10% of its rental income (as of 31 December 2019) the Company had leases of more than one year with an indexation clause. In principle, the Company aims to at least index the rates of rooms it rents directly to returning student tenants and new student tenants. (In certain cases – for example in the Flemish region of Belgium – the permitted increase is legally limited to the indexation for returning tenants.) If this indexation would no longer be possible/allowed and prices are determined by the market, there is a risk that prices will not rise sufficiently. The costs do increase, however, as they are largely indexed automatically, which has a negative effect on the Company's profitability. The rent's indexation does not necessarily prevent that the rent paid under longer-term rental agreements of more than one year and rental agreements with returning tenants rises less quickly than the rent that could have been achieved at the market rate with new tenants. On the other hand, it cannot be ruled out that, in a given rental market (e.g. in a particular student city), achievable market rental prices may rise less quickly than inflation (or even fall) so that when rent renewals or new contracts are concluded, this indexation could de facto not take place.

Control:

- Provide in indexation clauses in rental agreements concluded for more than a year (these are the rental agreements concluded for retail properties resp. offices), so that these annual rents evolve with inflation.

Potential impact:

- Increase in costs not compensated by an increase in rental income.
- decrease in distributable result and dividend.

1.5

REGULATORY AND OTHER RISKS

1.5.1 RISKS ASSOCIATED WITH THE STATUS OF PUBLIC RREC AND THE TAX STATUS OF ITS PERIMETER COMPANIES

In its capacity as a Public RREC, the Company is subject to the Legislation on Regulated Real Estate Companies imposing special obligations in areas such as operations, debt ratio, appropriation of income, conflicts of interest and corporate governance. The (continued) compliance with these specific requirements depends on several factors such as the Company's ability to successfully manage its assets and debt positions and to observe strict, internal audit procedures. The Company may find itself incapable of complying with these requirements if there were to be a significant change in its financial situation or for other reasons. If the Company were to lose its RREC-licence, it would no longer benefit from the special tax regime for RRECs (see Article 185bis of the Income Tax Code). This would have several repercussions, with one being that the rental income currently exempt from corporation tax would then become subject to corporation tax, for example. The loss of the RREC-licence is moreover regarded in the Company's credit agreements as an event that could lead to its loans being called up early. Such an early claim would jeopardise the Company's continued existence in its current form with its current property portfolio.

Exit tax, payable by companies whose assets are acquired by an RREC through merger, for instance, is calculated in accordance with Circular Ci.RH.423/567.729 of the Belgian tax authorities dated 23 December 2004, the interpretation or practical application of which may change at any time. The 'actual value for tax purposes', as referred to in this circular, is calculated less the registration duties or VAT (that would be applicable if the asset is sold) and may differ – including being lower than – the Fair Value of the property as reflected in the Company's balance sheet in accordance with IAS 40. The calculation of this exit tax is a technical matter about which disputes could possibly arise with the tax administration.

The result from the Company's operations in the Netherlands, Spain and Portugal (73.4% of the net rental result as of 31 December 2019), is not subject to a transparent tax regime but is held in normally taxed companies or (in the case of part of the portfolio in the Netherlands as of 31 December 2019) a permanent establishment whose profits are subject to local tax. There is a risk that the result (in particular the profit calculation and cost allocation and/or the applied transfer pricing mechanisms) and/or the tax base (including provisions for (deferred) taxes) in those countries are to be calculated differently from how they are calculated today or that the interpretation or practical application of the underlying rules changes. The applicable tax regime and rates may also change. This could lead to an increased tax burden for these activities or to discussions and procedures with the competent tax authorities. This may then give rise to additional taxes due, procedural costs, fines and interest on arrears.

Control:

- Continuous attention of the Board of Directors and the management to the regulations for Regulated Real Estate Companies and the preservation of the status of public Regulated Real Estate Company.
- Follow-up of legislative changes with the support of external specialist advisers where necessary.
- Involving external consultants for compliance in the different countries.
- Representation of the Regulated Real Estate Company in the BE-REIT Association, where the legislative and fiscal changes are discussed with other Regulated Real Estate Companies at regular intervals.

Potential impact:

- Incorrect estimation of the taxes to be paid, which may lead to an overestimation of the distributable result and the dividend.
- Procedural costs, fines and interest on arrears.
- In the event of loss of RREC-licence, impact of tax legislation in Belgium and loss of financing.

1.5.2 RISKS ASSOCIATED WITH OTHER REGULATIONS APPLICABLE TO THE STUDENT HOUSING SECTOR

The student housing sector is characterised by a fragmented regulatory framework, with national differences (for example Belgium compared to the Netherlands, Spain and Portugal), regional differences (between regions) and local differences (between municipalities). Moreover, this legislation is not always locally available in a coherent and structured manner, which complicates the analysis of the applicable provisions. Amendments to other (European, federal, regional or local) regulations may be implemented or new obligations may arise with respect to tax, accounting (IFRS), the environment, urban planning, tenancy law and new provisions on letting property and extending the permits with which the Company or users of the Company's property must comply. The regionalisation of lease legislation in Belgium as part of the sixth State reform also means that rent legislation for (student) accommodation is (or will be) different in each of the three regions, in addition to the local regulations at municipal level, instead of a single comprehensive legislative system at federal level. This has already resulted in initiatives adopted in the three regions on matters such as the (maximum) duration of lease contracts, deposit arrangements and (interim/early) termination options, for which the implementation is in full swing. Changes in the application and/or interpretation of such regulations by the authorities (including the tax authorities), or by the district courts and courts of appeal, may have a significantly adverse effect on the return and Fair Value of the Company's property.

Control:

- Continuous attention of the Board of Directors and the management to the regulations for Regulated Real Estate Companies and the preservation of the status of public Regulated Real Estate Company.
- Follow-up of legislative changes in the different countries and their compliance with the support of external specialist advisers where necessary.
- Representation of the Regulated Real Estate Company in the BE-REIT Association, where the legislative and fiscal changes are discussed with other Regulated Real Estate Companies at regular intervals.
- Legislative developments in the field of real estate are also followed up at sector level via BVS ('Beroepsvereniging van de Vastgoedsector'), of which the Company is also a member. In this context, we also endeavour to enter into a constructive dialogue with the government bodies that are shaping the relevant policy.
- Monitoring of the market and the student housing sector by Country Managers per country.

Potential impact:

- Decrease in the Fair Value of the property resulting in a decrease in the NAV and an increase in the debt ratio.
- Fines and interest in arrears.
- Reputational damage at stakeholders.

1.6

INTERNAL CONTROL RISKS

1.6.1 RISKS ASSOCIATED WITH AN INADEQUATE CONTROL SYSTEM

An inadequate internal control system may prevent the parties concerned (Audit Committee, compliance officer, risk manager, internal auditor) from performing their role and, consequently, from implementing the procedures to ensure internal control.

Control:

- Appointment of an external internal auditor who, together with the internal auditor, is responsible for maintaining the internal control system.
- Follow-up of the internal audit by the Audit Committee and the Board of Directors.

Potential impact:

- Operations are not conducted in an orderly and cautious manner with well-defined objectives, resulting in the resources not being used economically and efficiently.
- No notion of risk does not imply adequate protection of the Company's assets.
- No or insufficient integrity and reliability of financial and management information.
- Non-compliance or insufficient compliance with the relevant laws and regulations, as well as with general policies, plans and internal regulations.

1.7

CORPORATE SOCIAL RESPONSIBILITY RISKS

1.7.1 RISKS ASSOCIATED WITH INSUFFICIENT TRANSPARENCY REGARDING ESG AND SUSTAINABLE ENTREPRENEURSHIP

Risk of insufficient transparency in the Company's decisions and activities that have an impact on the Company, the environment, its policy and/or the Company's employees – together with ESG – or the limited reporting in this respect. From the wider capital market, there is clear and sustained demand for the Company's sustainable strategy and its reporting.

Control:

- Internal responsible for ESG-reporting.
- Steering group on ESG-reporting.
- Assistance through external advisers.

Potential impact:

- Negative impact on existing investor relationships.
- Reputational damage to interested parties.
- Loss of decisiveness and efficiency in the management decision-making process.



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02

Message to the shareholders

The end of 2019 is a great time to look back on the past year, which for Xior may be called a real gran reserva, and in the same breath look towards a future that looks promising. We are proud to say that, thanks to the achievements of 2019, Xior is well equipped and confident to embark on the new decade, even in the challenging circumstances with the outbreak of the Corona-virus since mid March. COVID-19 took us by surprise.

In the course of this year, Xior reached several important milestones, including exceeding the 1 billion threshold twice, first in terms of the value of its property portfolio and shortly afterwards in terms of market capitalisation. Xior has also underlined its ambition to further roll out its successful model across continental Europe.

Whereas at the beginning of 2019 Xior was active in “only” two countries (Belgium and the Netherlands), at the end of 2019 we can look back on a very successful entry into the Iberian peninsula. In March, the first investments in Spain and Portugal were announced, together with a clear and firm ambition to build a portfolio of at least EUR 250 million in these countries over time. In this way, Xior would efficiently develop these promising markets, where there is a clear need for the X factor that Xior adds to the student housing market, into a second home market, where Xior feels just as at home as our students in our residences. Less than nine months later, at the end of 2019, we are pleased to announce that our investments, including the committed pipeline, in these countries exceed EUR 300 million, including real landmark properties in Barcelona and Madrid and a very promising partnership with u.hub in Portugal, allowing us to get off to a flying start and develop proven Xior models in Lisbon and Porto as well.

Xior did not rest on its laurels in its historical domestic markets, Belgium and the Netherlands, either. In Belgium, solid progress was made in Flanders (with Studax among others), Brussels (with Woodskot, Alma and the launch of the innovative Roxi concept) and Wallonia (with the announcement of our first project in Namur). In the Netherlands, several wonderful assets and projects were acquired, and the newest (yet oldest) jewel in our Dutch crown, the fully renovated and converted monumental Bonnefantencollege in Maastricht, demonstrates the fantastic results the Xior approach can produce for municipalities, students, universities and investors alike.

This resulted in both a capital increase through a first optional dividend and a third successful public capital increase since the IPO, two operations that both strengthened the Company's equity and gave our existing shareholders the opportunity to be part of this expansion. The overwhelming response to these two operations is a very powerful sign of market (and especially our existing shareholders) confidence in the company. The capital transactions carried out also allow Xior to manage its debt ratio while maintaining a high rate of growth. Of course, all this is done with a strong focus on shareholder value. With EPRA earnings per share of EUR 1.60 and a gross dividend per share of EUR 1.30 despite an increase in the number of shares in 2019 of 39% (which in turn followed a 69% increase over 2018), the expectations were more than met.

Until the outbreak of the Covid-19 crisis, 2020 had also started very promisingly. The outbreak of this crisis has obviously resulted in a period of real uncertainty for society as a whole, our tenants, our employees and the Company. Of course, our primary focus is on the health and safety of our #xiorfamily, our tenants and our employees. Although on the date of this Annual Financial Report it is still far too early to gain any insight into the impact this crisis will have on society, European economies and education systems, we are convinced that Xior, through the make-up of its real estate portfolio (focused on quality properties in triple-A locations), its solid financial position and its specialisation as a pure player in the niche of student real estate (which also proved to be crisis-proof in 2008), can still look to the future with confidence.

For Xior, the future is also distinctly green. For 2020 and beyond, sustainability and sustainable development of our buildings, our employees and our students will therefore be even more of a priority in our strategy. While projects such as Woodskot are already taking a significant turn for the future (by introducing new construction techniques with a view to carbon storage, CO₂ reduction and reducing the impact over the entire life cycle of the building from construction to demolition), in the future we will increasingly make room for innovative solutions, such as heat recovery, modular construction techniques, energy storage and water-saving interventions, in addition to the more established interventions such as the purchase of green electricity, control of the insulation and ventilation characteristics and use of solar panels and green roofs. In this way, Xior is working on several levels to expand the community of students with Xior homes.

On behalf of the Xior Student Housing Board of Directors

Leen Van den Neste

Chairperson







03

Key figures

as at 31 december 2019

Consolidated income statement (in thousands EUR.)	31/12/2019	31/12/2018	31/12/2017
Net rental result	44,932	30,081	18,194
Property result	45,508	30,718	18,533
Operating result before result on the portfolio	35,069	23,323	13,245
Financial result (excl. variations in the fair value of financial assets and liabilities)	-7,621	-4,179	-2,691
EPRA earnings ¹ 🏠	24,103	16,179	9,772
EPRA earnings 🏠 - group share	23,975	16,179	9,772
Result on the portfolio (IAS 40) 🏠	-4,023	5,722	1,722
Revaluation of financial instruments (ineffective interest rate hedges) 🏠	-9,150	-5,393	942
Share in the result of associated companies and joint ventures	-1,397	270	194
Deferred taxes ²	-1,872	-673	-1,674
Net result (IFRS)	7,659	16,105	10,954

	31/12/2019	31/12/2018	31/12/2017
Number of lettable student units	7,932	5,505	3,678

Gross yields³	2019	2018	2017
Belgium	5.13%	5.10%	5.15%
The Netherlands	5.63%	5.72%	6.19%
Spain	5.27%	NA	NA
Portugal	NA	NA	NA
Entire portfolio	5.43%	5.52%	5.68%

¹ Alternative performance measures (APMs) are measures Xior Student Housing NV uses to measure and monitor its operational performance. The European Securities and Markets Authority (ESMA) issued guidelines for the use and explanation of alternative performance measures, which came into effect on 3 July 2016. Chapter 10.8 of the Annual Financial Report 2019 includes the concepts Xior considers as APMs. The APMs are marked with 🏠 and are accompanied by a definition, objective and reconciliation as required under the ESMA guidelines.

² Please refer to Chapter 10.9.7 of this Annual Financial Report for further explanation of the content of this deferred tax.

³ Calculated as estimated annual rent divided by the Fair Value and excluding projects in development.




Consolidated balance sheet

(in thousands EUR.)

	31/12/2019	31/12/2018	31/12/2017
Equity	625,808	410,019	223,291
Equity – group share	610,427	410,019	223,291
Fair Value of the investment property ⁴	1,190,791	814,908	488,762
Debt ratio (Law on Regulated Real Estate Companies) ⁵	45.67%	49.32%	53.62%

Key figures per share

(in EUR.)

	31/12/2019	31/12/2018	31/12/2017
Number of shares	19,133,129	13,768,815	8,128,249
Weighted average number of shares	14,996,135	11,109,319	6,851,483
EPRA earnings ⁶ per share 	1.61	1.46	1.43
EPRA earnings per share - group share 	1.60	1.46	1.43
Result on the portfolio (IAS 40) ⁶ 	-0.27	0.52	0.25
Revaluation of hedging instruments ⁶	-0.61	-0.49	0.14
Net result per share (IFRS) ⁶	0.51	1.45	1.60
Closing price of the share	50.50	38.00	38.99
Net asset value per share ⁷ (IFRS) (before dividend)	32.71	29.78	27.47
Dividend payout ratio (versus EPRA earnings) ⁸	81.25%	85.6%	83.9%
Proposed dividend per share ⁹	1.30	1.25	1.20

⁴ The Fair Value of the investment property is the investment value as determined by an independent property expert less the transaction fees (see BE-REIT Association press release dated 10 November 2016). The Fair Value corresponds to the carrying amount under IFRS.

⁵ Calculated in accordance with the Royal Decree of 13 July 2014 pursuant to the Act of 12 May 2014 on Regulated Real Estate Companies.

⁶ Calculated on the basis of the weighted average number of shares.

⁷ Based on the number of shares.

⁸ The dividend payout ratio is calculated based on the consolidated result. The actual dividend distribution is based on the standalone result of Xior Student Housing NV.

⁹ Subject to approval by the Annual General Meeting.





04

Strategy and operating activities

4.1

COMMERCIAL ACTIVITIES AND STRATEGY

4.1.1 IDENTITY AND ACTIVITIES OF THE COMPANY: FIRST BE-REIT IN STUDENT PROPERTY

Xior is the first and only Belgian public regulated real estate company (RREC), also referred to as a real estate investment trust (REIT), in the student housing sector operating in Belgium, the Netherlands, Spain and Portugal.

Within this property sector, Xior offers a variety of properties, ranging from rooms with shared facilities to en-suite rooms and fully equipped studios. Xior's student houses offer a comfortable environment, fully geared to the requirements of today's students. They are centrally located in triple-A locations near the educational establishment and no more than a 10-minute walk from the city centre. Quality and safety are key factors for the Company, which is why all student houses are renovated regularly and equipped with fire safety equipment. These quality standards are complemented by other basic needs, such as bicycle stands and a good Internet connection. Xior also offers additional facilities (sometimes differing from building to building), including access to certain buildings via a badge system (which Xior implements as standard in renovation and new-build projects), extra comfort, communal living facilities such as lounges and TV rooms, 24/7 emergency services, vending machines, washing machines, automated key system and so on.

The Company's target market includes Belgian and international students, research assistants, young post-graduate students and PhD students.

Since 2007, as an owner and operator, Xior has been building high-quality, reliable student housing for students who are looking for somewhere to study, live and enjoy life under ideal conditions. A place with that little bit extra, where every student will feel at home right away.

4.1.2 BUSINESS STRATEGY OF THE COMPANY

4.1.2.1 Commercial strategy

In order to achieve the above objectives, the Company pursues a commercial strategy that is built around four core ideas, which can be summarised as follows:

- *All you need to do is study**
- *The right people in the right place*
- *Let's keep in touch*
- *Always keep raising the bar*

**(and have some fun)*

4.1.2.1.1 All you need to do is study*

*(and have some fun)

Xior wants to go further than just building shells, and aims to minimise the stress that goes hand-in-hand with life at university (especially looking for and living in suitable accommodation) for students (and their parents), so that they can focus on the essentials, namely their studies on the one hand, and the fun side of student life on the other. Xior wants to get students into (and keep them in) their own place, with as few worries as possible, and excellent additional services.

According to Xior, allowing students to focus on the essentials can make all the difference. This is not only the case for local students (and their parents), who will find Xior a reliable partner, but especially for overseas students, where Xior offers a central point of contact, providing them with the introductions they need at the right authorities to make their stay in the relevant student city as

4.1.2.1.2 The right people at the right place

In performing its activities as owner and operator of student housing, Xior places the emphasis on active management, which specifically implies that it assumes direct responsibility for the development and day-to-day management of its student rooms. This also assumes attracting the right employees with the necessary skills, attitude and drive.

Besides specific skills, Xior aims for its employees to be able to promote the spirit of the Company and thus possess the right motivation, business ethic and discipline. This is the only way in which the Company can meet the needs of the various stakeholders, such as the students, their parents, educational institutions, local and other authorities,

investors and suppliers.

4.1.2.1.3 Let's keep in touch

Xior wants to keep its finger on the pulse of what is happening in the sector, with regard to both the property itself and the student public. Monitoring developments in needs and trends is crucial in order to be able to respond, and preferably anticipate, changing circumstances and needs within the Company's target public. A proper flow of information and communication in relation to all stakeholders is essential for that purpose.

Permanent and 'close' communication options are moreover of great importance for Xior in a sector that is characterised by rapidly increasing professionalisation and consolidation, yet where it can still lend authenticity to living in a student room and keep short lines of communication open between student and landlord.

4.1.2.1.4 Always keep raising the bar

In order to achieve profitable, long-term growth, the Company's thinking must always be one step ahead of everyone else. The Company believes it can achieve its objectives and prolong sustainable and profitable growth only by continually revisiting and adjusting its activities (in a controlled way).

4.1.2.2 Investment and growth strategy

Rooted in its ambition to be the benchmark in student housing, Xior aims for the controlled, profitable and sustainable growth of its portfolio with a strong focus on this property segment. Other assets (for example retail property) are always subordinate or are often acquired (for example office buildings) to be redeveloped into student accommodation.

An extensive portfolio undoubtedly offers important economies of scale and other benefits, including better risk diversification, more efficient management (both as regards letting and managing the rooms, and the general management and operation of the Company), a stronger negotiating position and credibility (towards suppliers, partners, credit institutions, investors and so on) with possible enhanced access to alternative sources of financing and so on.

Xior's property portfolio will be expanded in Belgium, the Netherlands, Spain and Portugal at first. This does not preclude

looking at any future investment opportunities in student housing located in other countries.

As a public RREC, the Company is firstly bound in the expansion of its property portfolio by the diversification obligations arising from the Legislation on Regulated Real Estate Companies (see *Chapter 12.1.4.2 of this Annual Report*). The Company also applies a set of parameters against which future acquisitions or developments will be assessed and that can be deviated from only if this benefits the stability of growth and rental income.

- **Established student cities:** buildings will be considered only if they are located in student cities with an adequately 'stable history' as a student city, where there are one or more educational institutions and surrounding student facilities with a proven track record.
- **"Triple-A locations":** the residences must be well-located within a student city, particularly in relation to the educational institutions, but if possible also taking account of public transport and the proximity of the city centre.
- **Size of the building:** the buildings must be of a reasonable minimum size as regards the number of units in order to facilitate efficient management of the various buildings. The required size of a certain building depends on the total potential demand in the local market (for example, there is scope for a greater supply in student cities such as Ghent than Mechelen) and the local market characteristics (for example, Leuven is characterised today by a larger fragmentation of relatively small buildings (10-20 units) while Ghent and Brussels have a greater tendency towards consolidated complexes, often with 100-200 units or more). As a rule, the Company will target buildings with at least 50 units.
- **No undersupply or oversupply:** if it enters a certain city, the Company will try to acquire enough local units to create an adequate economy of scale within that student city, while obviously avoiding an oversupply (both with regard to the overall tenancy potential and Xior's relative share in the market concerned).
- **Qualitative and sustainable buildings:** in its own developments, Xior is always able to take its own predetermined quality standards pertaining to comfort, safety and sustainability into account. When existing buildings are acquired, these buildings must also comply with these standards or be capable of being converted to meet these standards in an efficient and cost-effective manner. Sustainability and sustainable development of buildings are a priority in our investment strategy. In the future, we will make more and more room for innovative solutions, such as heat recovery, modular construction techniques, energy storage and water-saving interventions, in addition to the now more established interventions such as the purchase of green electricity, the control of insulation and ventilation characteristics and the use of solar panels and green roofs. Enhancing quality sometimes also has the advantage that significant added value can be created in these buildings with relatively limited efforts.
- **Optimal mix:** an optimal mix of different room types is aimed at within the Company's property portfolio, taking into consideration current and anticipated market requirements, any specific local and other regulations, and an optimal layout and occupation of the building concerned.

More generally, potential investments by which new buildings (or, where applicable, future developments) are acquired are subject to a risk analysis from a technical, financial, commercial and legal perspective, among others, and increasing attention will be paid towards achieving the combination of a direct return on rental income and an indirect return on the potential value appreciation of the property portfolio. Such acquisitions (or, where applicable, developments) must be capable of making a sustainable contribution to the earnings per share, while avoiding any dilution of the dividend yield.

4.1.2.3 Financial and financing strategy

The lasting growth of the Company assumes adequate financing of that growth in a sector that, by its nature, is capital intensive. The Company must also take account of the regulatory framework created in this regard by the Legislation on

Regulated Real Estate Companies, including rules on the maximum debt ratio (legally capped at 65%), interest cover ratio (at least 125%) and payout ratio (at least 80% of the profit in simple terms). Consequently, the Company, like any other public RREC, is limited in its self-financing options. The Company will therefore continue to strive for balanced growth of both equity and loan capital in parallel with the further expansion of the property portfolio in the future.

The Company also pursues a financing strategy that is based on the following principles:

- The Company strives towards a responsible debt structure with a planned debt ratio of 50 to 55% and equity of 45%. The debt ratio may temporarily exceed 55% during the implementation of the growth strategy.
- The average maturity will fluctuate, but we aim to achieve an acceptable diversification in the maturity dates.
- The debt ratio must leave room for adequate growth, while taking the intended return for shareholders into consideration.
- The Company's bank financing will use an appropriate interest rate hedging structure (see also *Chapter 5.3.2 of this Annual Report*).
- Subject to the availability of distributable reserves and the approval of the general meeting, the Company intends to increase the dividend in the coming years (see also *Chapter 7.5 of this Annual Report*).

The Company's financial position is obviously partly driven by its rental income, on the one hand, for which a high occupancy rate is crucial, and by adequate cost management on the other hand, which is facilitated by the further expansion of the portfolio and creation of additional economies of scale.

4.1.3 OPERATIONAL ORGANISATION

In performing its activities as owner and operator of student housing, Xior places the emphasis on active management, which specifically implies that it assumes direct responsibility for the development and day-to-day management of its student rooms, with the cooperation of external service providers where necessary. Xior has its own operational teams that can undertake all critical property functions and, in other words, is active throughout practically the full value chain of student property, from acquisitions, development, permits, financing, project management, marketing, letting, property management and maintenance to any renovations and/or sale, where applicable. Xior therefore offers total A-Z solutions.

Xior has its own maintenance personnel for odd jobs and cleaning, so these services are provided in-house.

In Belgium and the Netherlands, Xior keeps a close eye on the various buildings by having student coaches present permanently (in larger building complexes) or on a regular basis (in smaller buildings). There are also building managers and floor managers in some of the larger buildings. In Spain and Portugal, there is a reception desk in each building which is permanently manned.

Xior also has its own letting offices, where students and others who are interested can simply walk in and discuss their queries or problems with the local company employees, who can then address them directly.

As a rule of thumb, a student city needs at least 200 rooms, for which three people have to be employed (office manager as contact person, a commercial person who understands students' needs and wishes, and a handyman).

The offices are an important communication channel for the Company. A proper flow of information and communication is therefore essential for Xior, and runs via three streams, namely incoming information, outgoing information and internal communication.

The inflow of external communication may consist of gathering market survey results and monitoring trends and new developing needs in the market. Monitoring such trends and developments is crucial in order to be able to respond, and

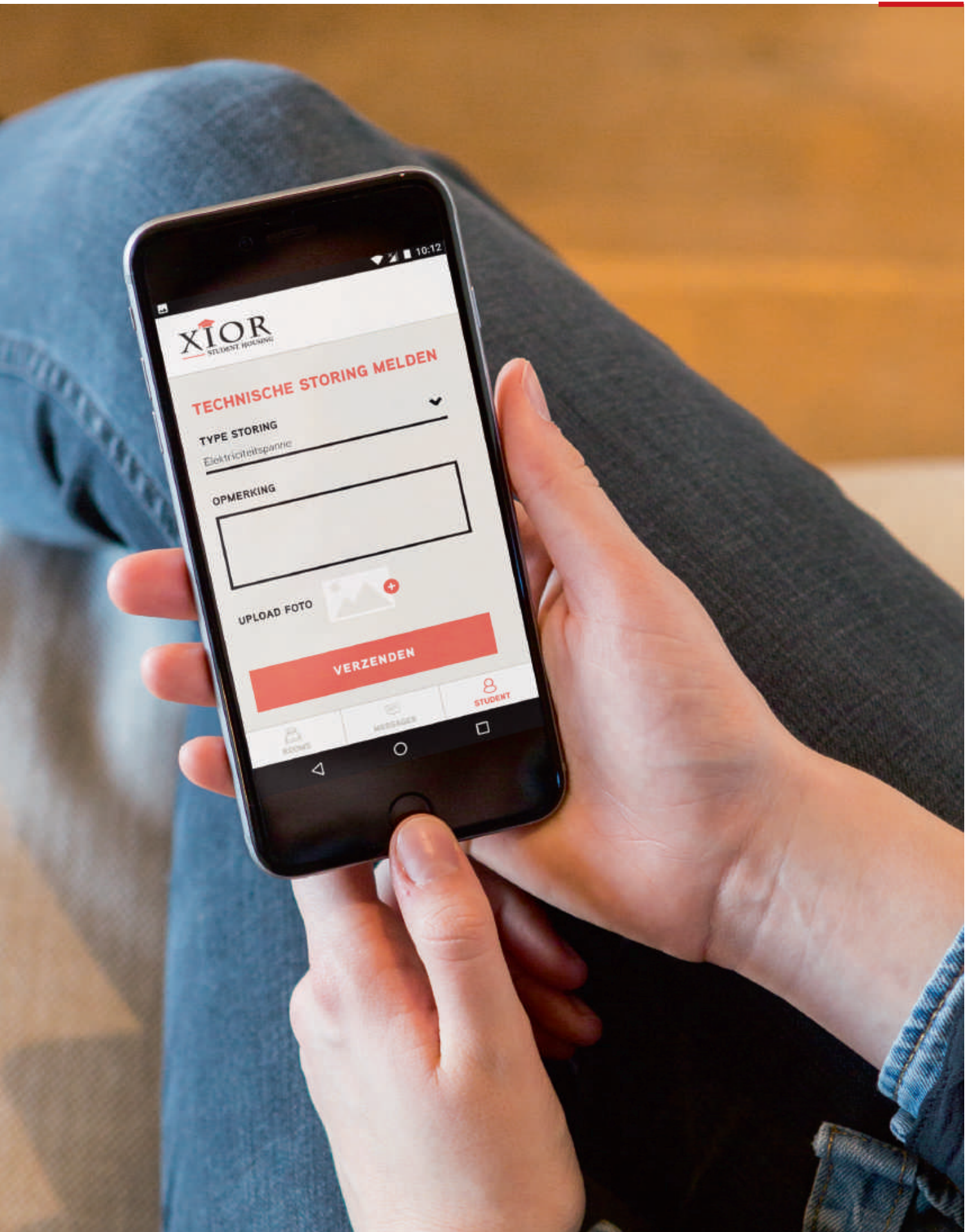
preferably anticipate, changing circumstances and needs within the Company's target public.

As a listed Company, outgoing communication is obviously an important pillar in the Company's activities. In addition to its statutory obligations, the Company also wishes to communicate transparently with the various stakeholders. This covers various areas, such as 'classic' contact with investors, inter alia through an adequate investor relations section on the website, as well as through communication and interaction with the students. Besides access to the letting offices, this is made possible, for instance, with 'Open Room Days', when students have the opportunity to visit the buildings. Xior is also trying to organise regular events to increase contact with the student public. In this way, Xior tries to build a solid and long-term relationship with its tenants, which by way of example also translates into the recruitment of students who have rented a room from Xior and then continue their professional career with the Company. Xior also communicates via social media. An app for student rooms is a handy tool for students searching for a suitable room and offers many opportunities for facilitating and improving the interaction between students and Xior (see below).

Constant and interactive communication with educational institutions and local and other authorities is also an important priority for Xior. For example, Xior will try to link 15% of the property portfolio to a cooperative arrangement with an educational institution. Xior also maintains good relations with various accommodation services (including for the purpose of mediation in case of disputes or for attracting foreign students).

Xior is constantly striving to improve communication and interaction with students and potential tenants. Xior launched the very first app specifically developed for the purpose of finding student housing in 2016. This app, which includes a geolocator, intends to make finding suitable accommodation easier for students and to facilitate interaction with the students themselves. As part of the company's continuous improvement of communication and interaction, the app's user functions were expanded in 2017 so that technical malfunctions can be reported simply at the push of a button. The website is also continually updated and improved to make it easier to search for the perfect student accommodation. A blog was also added to the website, and the social media channels have been fed and followed up more intensively to strengthen the interaction with the target audience.





RECEPTION

ROXI ALMA
BRUSSEL



05

Management report

5.1

PUBLIC RREC STATUS

On 24 November 2015, the FSMA accredited Xior as a public Regulated Real Estate Company (public RREC) in accordance with the Law on Regulated Real Estate Companies. The FSMA has included the Company in the official list of public RRECs with effect from 24 November 2015.

Xior was successfully floated on the Euronext Brussels stock market on 11 December 2015. This makes Xior the first Belgian public RREC to specifically focus on the student housing sector.

This status as a Public Regulated Real Estate Company or BE-REIT will reflect Xior's role as an operational and commercial real estate company and will allow it to grow further in the future. It allows Xior to position itself as a real estate investment trust (BE-REIT) in the best possible way and optimise its visibility to national and international stakeholders.

5.2

COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR OF 2019¹⁰

5.2.1 CONSOLIDATED BALANCE SHEET

As at 31 December 2019, the portfolio consisted of 7,932 lettable student units. The total property portfolio is valued at KEUR 1,190,791 as of 31 December 2019, representing an increase of 46% compared to 31 December 2018. This increase is mainly the result of the acquisition of a student residence in Madrid, the acquisition of two student residences in Barcelona, the acquisition of a student residence in Wageningen, the acquisition of a student residence in Leuven, the acquisition of an office building for conversion in Groningen, the acquisition of a student residence in Amsterdam, the further development of Woodskot in Brussels and Bonnefanten in Maastricht, and the acquisition of Alma Student in Brussels.

If all the committed acquisitions and projects are completed, then this will continue to increase to approximately EUR 1.5 billion, with over 12,000 rentable student units.

Current assets are KEUR 20,945 and have fallen by KEUR 17,247 since 31 December 2018. The decrease is mainly due to a decrease in receivables from joint venture companies. They primarily include:

Current assets include, primarily:

- Outstanding receivables (KEUR 1,163): this includes mainly rents that have not yet been received;
- Other receivables: this relates mainly to receivables on Promgranjo, the joint venture company being used to develop the project in Porto, Portugal (KEUR 3,929), an advance against an acquisition (KEUR 6,019) in Barcelona, a receivable from Aloxe NV (KEUR 1,720 – paid at the market interest rate).
- Cash and cash equivalents held by the various entities (KEUR 4,269).

¹⁰ For an explanation of the Consolidated Financial Statements for 2018, please refer to the Annual Financial Report 2018 page 48-52. For an explanation of the Consolidated Financial Statements for 2017, please refer to the Annual Financial Report 2017 page 46-50.

The equity stands at KEUR 625,808. On 31 December 2019, the issued capital was KEUR 344,396, which is KEUR 96,557 more than on 31 December 2018. The share premiums were KEUR 276,441 on 31 December 2019, which is KEUR 129,202 more than on 31 December 2018. This increase in share capital and issue premiums is the result of a contribution in kind in June 2019 (optional dividend), the contribution in kind of Stratos KvK NV and the public capital increase in October 2019.

The reserves are positive and amount to KEUR 16,107. These reserves mainly consist of a negative reserve for the impact on the fair value of estimated transaction costs and costs resulting from hypothetical disposal of investment properties, a positive reserve for the balance of the variations in the fair value of the property, a negative reserve for the balance of the variations in the fair value of permitted hedging instruments and another reserve relating to the remaining 20% of the shares of Mosquera Directorship (see more under other long-term debts).

The annual net result stands at KEUR 7,969.

During the financial year of 2019, 5,364,314 new shares were created.

The long-term obligations have increased by KEUR 157,832 since 31 December 2018. This increase is mainly due to the increased credit that was drawn down at financial institutions. KEUR 500,425 had been drawn down in credit as at 31 December 2019, compared to KEUR 401,177 as of 31 December 2018. This increase is a result of the further implementation of Xior's growth strategy in 2019, which was partially financed using loans. Additional Interest Rate Swap contracts were also taken out in the course of 2019. As of 31 December 2019, these have a negative market value of KEUR 15,467. The average maturity of the loans is 4.08 years.

As of 31 December 2019, the debt ratio was 45.67% compared to 49.32% on 31 December 2018. The debt ratio increased further in 2019, mainly due to acquisitions financed partly with loan capital, but which also decreased as a result of contributions in kind and a public capital increase. The acquisition of the "Studax" student residence in Leuven on 13 June 2019 was financed with a capital increase through a contribution in kind of the shares, with new shares also issued, which resulted in an increase in equity. This method of acquisition (contribution in kind) allows the portfolio to be expanded with a healthy combination of different financing sources, while keeping the debt ratio under control. A public capital increase was also successfully achieved in October 2019.

Other non-current liabilities relate to the put option on the remaining 20% of the shares of Mosquera Directorship (EUR 19 million). This liability was recorded against equity (as a deduction from equity – IFRS obligation), which has a negative impact on the NAV per share. When the option is exercised, this negative amount will be reversed in equity against minority interests.

The deferred taxes amount to KEUR 46,813 and have increased by KEUR 30,138. This increase mainly relates to Spanish real estate.

The current liabilities are KEUR 68,685. This is an increase of KEUR 41,155 since 31 December 2018. The increase is mainly due to an increase in other debts. These other liabilities mainly include the price still to be paid for the remaining shares of the joint ventures. More deposits were also received because of the increased number of rented student units. The Company also follows up outstanding debts very closely in order to keep the Company's debt ratio under control.

Other short-term debts include, primarily:

- Outstanding supplier debts (KEUR 5,657): these relate mainly to a small number of suppliers involved in projects carried out in 2019;
- Other (KEUR 4,943): these mainly relate to provisions for Dutch taxes of the permanent establishment and the subsidiary companies, VAT payable and social security payable (KEUR 4,257), and advance payments from tenant (KEUR 686);
- Deposits received on rented properties (KEUR 8,099);
- Price to be paid to exercise purchase options (put and call options) on 50% shares remaining in Promgranjo (KEUR 2,682), on 60% shares remaining in U.hub Benfica and on 75% shares remaining in U.hub São João (KEUR 40,125).

The accruals and deferred payments are mainly rental income to be deferred (KEUR 1,176), accrued real estate costs (KEUR 860), accrued interest (KEUR 2,083) and accrued general expenses (KEUR 1,147).

5.2.2 CONSOLIDATED INCOME STATEMENT

In 2019, Xior achieved a net rental result of KEUR 44,932 compared to KEUR 30,081 in 2018. This net rental result will continue to grow in 2020, given that certain buildings were completed or were acquired in the course of 2019 and therefore did not have the opportunity to contribute to the net rental result for a full year. Some buildings that were being constructed or renovated already yielded rental income by means of rental or return guarantees since Q4 2019 (these only contributed to the result for part of the year).

This mainly relates to the following properties:

- Ariënsplein – Enschede: rental income will increase further in 2020;
- Studax – Leuven: rental income started June 2019;
- Alma – Zaventem: completed, rental income being generated since October 2019;
- Woodskot – Brussels: completed, rental income since September 2019;
- Bonnefanten – Maastricht: completed, gradual rental income since September 2019;
- Xior Diagonal Besòs – Barcelona: completed, gradual rental income since September 2019;
- Xior Picasso and Xior Velázquez – Madrid: rental income since November 2019;
- The Lofttown – Barcelona: rental income since September 2019.

The average occupancy rate for the property portfolio was 98% in 2019.

The Company aims to increase the income (like-for-like) by offering additional paying services to the students. Furthermore, rents for the Dutch properties were subject to indexation, as were the commercial contracts in Belgium and the Netherlands. The contract with HoGent for 318 units in the Voskenslaan building provides for annual indexation of the rent, which resulted in a like-for-like growth of the rent of 1.53%.

The property result is KEUR 45,508 while the property operating result is KEUR 38,515. The property charges (KEUR 6,994) mainly include costs related to maintenance and repair, insurance, property management, valuation expert expenses and other property charges, such as property tax that cannot be passed on to the tenants. The Company's overheads for 2019 are KEUR 3,500 and the fee received for management of investment property owned by third parties is KEUR 54.

The portfolio result is KEUR -4,024. New properties were obtained in 2019 through property acquisitions (sale-purchase), share acquisitions and takeover mergers.

The property was acquired at a fiduciary value (the acquisition value agreed between the parties) which was in line with (but not necessarily equal to) the Fair Value as assessed by the surveyors.

- The difference between the Fair Value of properties acquired through property acquisitions (sale-purchase) and the fiduciary value of such property is processed as 'variations in the Fair Value of investment properties' on the income statement.
- The difference between the Fair Value of properties acquired through share acquisitions and the fiduciary value of such properties as well as other sources of differences between the Fair Value and fiduciary value of the shares are processed as 'other portfolio result' on the income statement. This 'other portfolio result' concerns amounts resulting from application of the consolidation principles and merger transactions, and consists of the differences between the price paid for real estate companies and the Fair Value of the acquired net assets. This 'other portfolio result' also covers directly attributable transaction fees.

The change in Fair Value between 1 January 2019 and 31 December 2019 was booked under negative or positive investment property changes. There was a positive net investment property change (KEUR 17,982).

The financial result stood at KEUR -16,771. This result mainly concerns interest on loans (KEUR 4,720), IRS costs (KEUR 2,540), bank charges and other commissions (KEUR 404). The IRS-contracts concluded by the Company totalled KEUR 430,000. The market value of these hedging instruments was recognised directly in the income statement (KEUR -9,150).

The result before taxes was KEUR 12,877. The taxes were KEUR 5,218. These were mainly taxes on the result of the permanent establishment in the Netherlands and the Dutch subsidiaries (KEUR 3,106) and deferred taxes on the Dutch property (KEUR 1,748).

The net result was KEUR 7,659 and the EPRA-earnings¹¹ were KEUR 24,103. The EPRA-earnings - group share amounts to 23,975. The EPRA-earnings per share amounts to EUR 1.61 and the EPRA-earnings per share - group share amounts to EUR 1.60.

¹¹ EPRA earnings = net result +/- variations in the fair value of investment property +/- other portfolio result +/- income from the sale of investment property +/- variations in the fair value of financial assets and liabilities.

5.2.3 RESULT ALLOCATION

The Board of Directors proposes to allocate the financial year's profit shown in the statutory annual financial statement as follows:

Numbers in thousands EUR.

	31/12/19
A Net result	27,821
B Addition to/withdrawal from reserves (-/+)	
1 Addition to/withdrawal from the reserve for the (positive or negative) balance of variations in the property's fair value (-/+)	
- Financial year	14,331
2 Addition to/withdrawal from the reserve of the estimated transaction fees and costs resulting from the hypothetical disposal of investment properties (-/+)	
- Financial year	-3,221
5 Addition to the reserve for the balance of the variations in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in the IFRS (+)	
- Financial year	-7,283
10 Addition to/withdrawal from other reserves (-/+)	4,499
11 Addition to/withdrawal from retained earnings from previous financial years (-/+)	
C Return on capital pursuant to Article 13, section 1, first paragraph	14,906
D Return on capital other than C	4,589

Based on this, the Board of Directors intends to propose to the Annual General Meeting a dividend of EUR 1.30 gross, or EUR 0.91 net¹² per share for 2019 (taking into account the dividend entitlements of the shares and the coupons detached from them), represented by coupon number 10¹³ - (worth EUR 0.581 already detached from the Xior share), coupon number 12¹⁴ - (worth EUR 0.492 already detached from the Xior share) and coupon number 13 (worth EUR 0.227).

¹² Taking account of a withholding tax of 30%.

¹³ Based on the weighted average number of shares, so now including the dividend entitlements of the shares issued as a result of the capital increases in 2019. We would remind you that as part of the capital increase in 2019 a coupon was detached. All Xior shares are currently listed with coupon numbers 11 and later attached. See also the press releases published in the context of the capital increase. More information is also available at <https://www.xior.be/nl/investor/investor-relations/coupons>.

¹⁴ Based on the weighted average number of shares, so including the dividend entitlements of shares issued as a result of the capital increases in 2019. We would remind you that as part of the capital increase in October 2019 a coupon was detached. All Xior shares are currently listed with coupon numbers 13 and later attached. See also the press releases published in the context of the capital increase. More information is also available at <https://www.xior.be/nl/investor/investor-relations/coupons>.

5.2.4 RESEARCH AND DEVELOPMENT

The Company did not develop any activities or incur any expenses with regard to research and development.

5.2.5 BRANCHES

The Company does not have any branches.

5.3

MANAGEMENT AND USE OF FINANCIAL RESOURCES

5.3.1 FINANCING AGREEMENTS


As at 31 December 2019, the Company had concluded financing agreements with Caisse d'Epargne/Natixis, ING België NV, Belfius Bank NV, BNP Paribas Fortis NV, Argenta Spaarbank NV, KBC Bank NV, ABN Amro, Banque de Luxembourg, vdk bank and Bank Nagelmackers. Natixis/Caisse d'Epargne has made available a total of EUR 150 million, ING België NV EUR 135 million, Belfius Bank NV EUR 120 million, BNP Paribas Fortis NV EUR 100 million, Argenta Spaarbank NV EUR 70 million, KBC Bank NV EUR 55 million, ABN Amro EUR 35 million, Banque de Luxembourg EUR 25 million, vdk bank EUR 10 million and Bank Nagelmackers EUR 10 million. A total of EUR 502 million in financing had been drawn down as of 31 December 2019.

The Company aims to stagger the loan maturities with an average maturity of 4.08 years as at 31 December 2019.

Xior also has a green loan with ING for a total amount of EUR 25 million. This amount is included in the total by ING provided amount (EUR 135 million). This loan needs to be used for the financing of green assets. The green loan, concluded with ING, has been fully allocated to eligible assets. In total, Xior has EUR 308 million of eligible assets, that can be financed via green loans.

On an annual basis, until full allocation, Xior intends to report on the allocation of the net proceeds of issued green finance instruments. The report provides the following information: total amount outstanding, amount of unallocated proceeds and allocation of the net proceeds to the portfolio, including information on the composition of the portfolio, geographic split of the portfolio, share of financing vs refinancing and an overview of eligible projects if feasible. See also *Chapter 9.6.1 Green assets and Green Finance Framework of this Annual Report*.

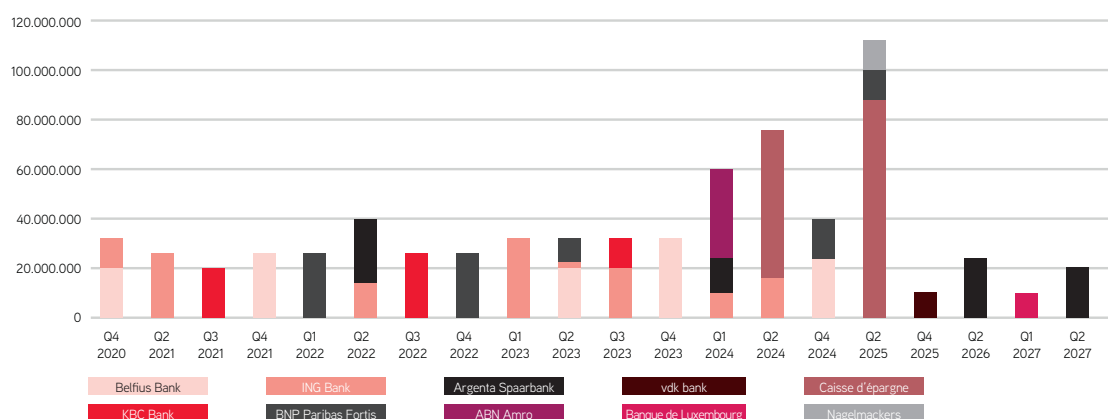
The Company also has IRS-contracts totalling EUR 430 million as at 31 December 2019. As at 31 December 2019, the drawn down financing (EUR 502 million) was 97% hedged using Interest Rate Swap agreements, or by means of fixed interest rates.

The average financing cost  over 2019 was 2.15% (2018: 1.96%). This increase is due to a decrease in the average outstanding loan amount and an increase in commitment fees due to undrawn credit lines.

The main covenants the Company must meet with respect to these financing agreements are about compliance with a loan to value (LTV) ratio (the outstanding amount of credit in relation to the value of the property portfolio calculated according to the Royal Decree on Regulated Real Estate Companies) that must always be less than 60%, an interest coverage ratio that must be greater than 2.5 and hedging of at least 70% of financing debt.

The debt ratio was 45.67% on 31 December 2019. The debt ratio is calculated as follows: liabilities (excluding provisions, accruals and deferred payments, interest rate hedging instruments and deferred taxes) divided by total assets (excluding interest rate hedging instruments). The debt ratio is lower than the debt ratio at the end of 2018. This is the result of the successful capital increase in October 2019 and the strengthening of the equity position during the further implementation of the growth strategy, which financed new acquisitions in part via contributions in kind (see also *Chapter 10.9.34* of this Annual Report).

On 31 December 2019, the average maturity of the outstanding loans was 4.08 years. The company has always concluded financing contracts with a minimum maturity of 3 years. For a further breakdown of debts according to maturity, please refer to *Chapter 10.9.23 of this Annual Report*.



The graph above does not include the loan with Stratos KvK's quarterly repayments, as the graph would then no longer be readable. Repayments amount to approximately KEUR 220 per quarter.

5.3.2 INTEREST RATE RISK HEDGING

The Company wants to hedge a substantial part of the interest rate risk with regard to its long-term financing up to at least 70%, either with a fixed interest rate for the entire period of the agreement, or with interest rate swap and forward rate agreements as hedging instruments of the interest rate swap and forward rate agreement type.

The Company's hedging policy is regularly evaluated and adjusted when necessary (for example with regard to the instrument types, hedging period and so on).

We hereby refer to *Chapter 10.9.23 of this Annual Report* regarding the interest rate hedging in place.

5.3.3 CAPITALISATION AND DEBT

For a summary of the capital, please refer to *Chapter 10.9.17 of this Annual Report*.

Figures in thousands EUR.

	31/12/19	31/12/18
Capital	342,125	245,672
Issued capital	344,396	247,839
Capital increase costs	-2,271	-2,167
Issue premiums¹⁵	276,441	147,239
Reserves	-16,108	1,003
Other	-16,108	1,003
Net result for the financial year	7,969	16,105
Minority interest	15,381	N/A
Total equity	625,808	410,019

Overview of net debt position

	31/12/19	31/12/18	31/12/17
Net debt position			
Cash	4,269	1,677	815
Cash equivalents	0	0	0
Trading securities	0	0	0
Liquid assets	4,269	1,677	815
Short-term debt	14,573	35,443	12,552
Short-term bank debt	860	1,637	0
Current financial debt – part of long-term financing	845	0	11,994
Other short-term debt	61,712	22,162	6,501
Short-term debt	63,417	23,799	18,495
Net short-term debt	-44,575	13,321	-5,128
Long-term bank debt	500,425	401,177	251,744

¹⁵ The Extraordinary General Meeting of 15 December 2017 made available EUR 4,621,031 of the issue premiums.

Bond loans	0	0	0
Other non-short-term debt	81,609	23,026	7,912
Long-term debt	582,034	424,203	259,656
Net debt	-626,609	-410,882	-264,784

5.4 TRANSACTIONS AND ACHIEVEMENTS¹⁶

Following the further implementation of the growth strategy in 2019, the property portfolio increased from 86 properties at the end of 2018 to 104 properties at the end of 2019.

In October 2019, Xior had a successful public capital increase that increased the capital and share premiums by EUR 205 million without any profit dilution for the existing shareholders.

Apart from as set out in *Chapter 5.5 of this Annual Report*, no significant changes have occurred in the Company's financial or trading position after 31 December 2019.

The price for the acquisitions between the parties was in line with the valuation of the valuation experts.

- **Acquisition of an operational residence and a project in Barcelona – 206 units**

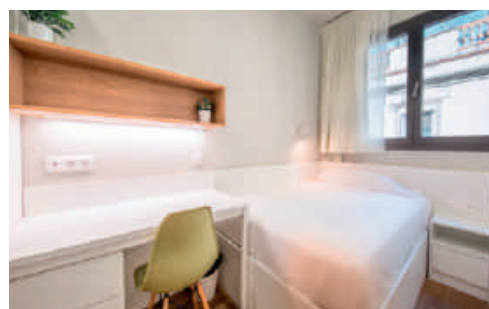
On 5 October 2019, Xior concluded an agreement on the acquisition of an operational residence (The Lofttown) and a project (subject to conditions precedent) in the permit phase (Project Collblanc), both located in Barcelona, which were acquired together and which are owned and led by the same operational team.

The Lofttown: This operational residence, recognised as one of the best student residences in Spain, has 78 units with 140 beds. This property has been operational for several years and has been generating rental income since its acquisition. It is situated in a prime location, right next to the Paseo de Gràcia and Avenida Diagonal, two of Barcelona's main commercial and tourist boulevards, and just a short stroll from a number of faculty buildings and the old city centre. The students have access to the public spaces, such as a restaurant (half-board and full-board), movie room, study areas, design room with 3D printers, laundry, gym and terraces.

his residence was acquired through the purchase of 100% of the shares in the real estate company involved, and contributed to Xior's result immediately on acquisition. This transaction was completed on 30 October 2019.



The Lofttown - Barcelona



The Lofttown - Barcelona

¹⁶ For the transactions and achievements for 2018, please refer to the Annual Financial Report 2018 on page 55 ff. For the transactions and achievements for 2017, please refer to the Annual Financial Report 2017 on page 52 ff.

- **Acquisition of a portfolio of student residences and projects in Porto and Lisbon – approximately 1,900 units – operating and development partnership with U.hub**

On 11 October 2019, Xior signed an agreement for the acquisition, subject to conditions precedent, of the "U.hub" portfolio, consisting of two operational student residences (98 units) and four projects (approximately 1,800 units), all of them located in Porto and Lisbon. With this acquisition, Xior is taking a major step forward in the roll-out of its portfolio in Iberia, adding at one stroke approximately 1,900 student units in the two largest Portuguese student cities, both characterised by a major imbalance in supply and demand for student accommodation.

Two of the residences in this portfolio (U.hub Alameda and U.hub Alvalade, both in Lisbon) have been operational for several years and have generated rental income from the time of the takeover.

Two of the four projects in the portfolio have been approved and are already under construction. They are expected to reach completion in 2020 (the São João project in Porto with approximately 450 units and the Benfica project in Lisbon with approximately 350 units). The two other projects (Lumiar in Lisbon with approximately 500 units and Boavista in Porto with approximately 500 units) are still awaiting permits and are expected to be completed in 2021 and 2022. The permit for the Lumiar project is expected to be obtained in 2020, and the permit for the Boavista project in 2021. These new residences will include a number of public spaces and all the usual equipment and level of comfort expected of modern student residences.

The four locations in Lisbon are optimally located in the vicinity of public transport (subway) and from various universities, so that a wide choice can be offered to students at different locations in Lisbon and in multiple price categories.

In Porto, the projects are also in strategically interesting locations. U.hub São João is located in Asprela, the largest campus in Porto with 35,000 students, and U.hub Boavista is in the city centre with excellent public transport connections.



U.hub Lumiar - Lissabon



U.hub São João - Porto

The acquisition will be carried out through buying out, in two phases, 100% of the shares in the real estate companies concerned. The total investment value is approximately EUR 130.0 million and the gross yield is expected to stabilise at approximately 9.5%. This will set Xior on course to become the market leader in Portugal.

Thanks to these additional acquisitions, the number of student units in the Portuguese portfolio (including the pipeline) will increase from 335 to approximately 2,235 units.

The final investment value may still vary depending on the exact final number of rooms (and construction surface area), especially for the projects still awaiting permits.

The first phase of this transaction was completed on 13 December 2019.

- **Partnership**

In addition to these real estate companies, Xior is also acquiring 85% of the company that manages the rentals of the student

residences in Porto and Lisbon that are already operational, and is signing a framework agreement for collaboration on future developments with the development company managed by the team that created U.hub, one of the pioneers and challengers in professional student accommodation in Portugal. In this way, Xior acquires a solid partnership with the U.hub team, which already has a great track record and with the aforementioned projects is showing their ambition to become the Portuguese market leader. This accelerates the roll-out of the Xior brand in Portugal. In addition, through this agreement Xior acquires the necessary local practical expertise to organise its activities in-house in the best possible way in Portugal.

- **Exercise of call option on the remaining 50% of the shares in Alma Student NV**

On 4 October 2019 Xior, as planned when first buying into the company in Augustus 2018, bought out the remaining 50% of the shares in Alma Student NV, owner of the redeveloped student complex located on the edge of Brussels (Zaventem) consisting of 240 units, 99 short-stay rooms developed using the 'ROXI' design, with a retail ground floor. The building was recently completed and is generating rental income.

- **Acquisition of part 3 of the building located at Heer Bokelweg – Rotterdam**

On 18 September 2019 Xior acquired part 3 of the building located in Heer Bokelweg, Rotterdam, having already acquired on 31 May 2017 the other parts with the intention of developing an integrated construction program for the whole of the existing building.

- **Acquisition of an on-campus student residence in Madrid – 664 units**

On 11 September 2019, Xior signed an agreement for the acquisition of a student residence on the campus of Universidad Europea de Madrid (UEM) in Villaviciosa de Odón, Madrid. This operational residence of 464 units (528 beds) is in a strategic location on the campus of one of the most prestigious private universities in Madrid and has additional development potential for just over 200 extra beds. The total expected investment amount is approximately EUR 85.4 million, of which Xior will be acquiring 80% from the real estate company that both owns and runs the residence, as well as owning the land, including an expected initial yield of approximately 7%. The university's current owner and manager, who is also the seller, will retain the remaining 20%. This acquisition was completed on 5 November 2019.

- **Joint venture agreement for Granjo (Porto) – 211 units**

On 28 August 2019 Xior bought a 50% stake in the joint venture Promgranjo S.A. when it received the necessary administrative letter of comfort that the permit would be issued for the Granjo project in Porto relating to the redevelopment of an existing building it fully owned to convert it into a student complex with 211 units (420 beds), 3 parking areas and 16 residential apartments, continuing the implementation of the earlier agreement on this subject.

- **Agreement on development of a student residence in Namur – minimum 206 units**

On 2 July 2019, Xior announced the signature of an agreement for the development of a new student complex of at least 206 units (to be optimised in the current permit process) located near Université de Namur and the train station in Namur, Belgium. Following the proposed development, this transaction will have a total investment value of approximately EUR 20 million. The joint venture Baltissimmo NV – Promiris NV will be responsible for the development. This is a collaboration between Baltissimmo NV and Promiris NV, a developer Xior has successfully joined forces with before (for the project in Etterbeek, Oudergemlaan – Zaventem, Alma and for its expansion into Portugal). Xior will acquire the shares of the real estate company concerned following the provisional completion of the project which, according to the current schedule, is expected around Q2 2022 (or one year before, at the very earliest). Xior is hereby taking its first steps in Wallonia and adding a new student city to its portfolio.

- **Launch of the 'Roxi' concept**

On 19 June, 'ROXI – The Urban Residence' was launched, a new concept that focuses on both long and short stays. Xior is now expanding its services with a more hybrid housing concept in which living, studying and/or working merge effortlessly. It is Xior's response to the growing trend of co-living. The focus is on the student and all their stakeholders such as parents, guest professors, interns, young professionals, millennials and expats.

- **Acquisition of the Meteo building in Wageningen – 22 units**

On 13 June 2019, Xior acquired a student residence in Wageningen, as already announced at the time of the acquisition of the nearby main building on the same site (see Annual Report 2018), next to the main building on the same Duivendaal site. The building has 22 rooms. The investment value is EUR 3.2 million, with an initial yield of 6%.

- **Acquisition of the 'Studax' student residence in Leuven – 292 units**

On 13 June 2019, Xior acquired the 'Studax' student residence near the train station, which consists of 292 student rooms for an investment value of EUR 29.75 million. This investment was achieved by acquiring 100% of the shares of the real estate company concerned through a contribution in kind. The residence is part of 'Kop van Kessel-Lo', the new place to be in Leuven after the full redevelopment of the area and Belle-Vue Park in particular in 2019. KU Leuven university will continue to operate the building based on a long-term rental agreement, as it has done since the building's opening in 2016. This means that the management costs are limited, no property tax is due and there are limited maintenance costs, so the operating margin is higher than for normal properties under our own management. The investment values are in line with the estimates of the independent property expert. The initial yield is 5.40%.

As part of this transaction, Xior acquired 100% of the shares in Stratos KvK NV and exercised its right to pay the purchase price of the shares in Stratos KvK NV not in cash, but in newly issued shares. The contribution of the Stratos KvK shares was financed by issuing 430,889 new shares for a total value of EUR 18,097,363. The transaction resulted in an equity increase of EUR 18,097,363, of which EUR 7,756,002 was assigned as capital and the balance of EUR 10,241,361 was assigned as issue premiums after deduction of the costs of the capital increase according to the applicable IFRS-rules. The issue price of the new shares (rounded down) was EUR 42.00 and was equal to the volume weighted average listing price (VWAP) of Xior Student Housing over the 5 trading days prior to 13 June 2019 (not including the launch date), minus the pro rata share of the gross dividend for financial year 2019 (EUR 0.581 per share) and minus a discount of 4.97%, or a discount of 5.45% compared to the closing price on 12 June 2019 minus the pro rata share of the gross dividend for financial year 2019.

- **Optional dividend**

On 16 May 2019, Xior shareholders were informed at the Annual General Meeting about the detailed arrangements for an optional dividend relating to the dividend. On 4 June 2019, Xior announced that approximately 62.74% of Xior shareholders entitled to dividends opted for the contribution of net dividend entitlement in exchange for new shares rather than a cash dividend payment. This result led to a Xior capital increase (including issue premium) of approximately EUR 6.08 million by creating 150,143 new shares.

- **Acquisition of Eendrachtsskade, Groningen – at least 225 units**

On 10 April 2019, Xior acquired a redevelopment project in Groningen with at least 225 residential units, offices and 180 parking spaces. This transaction has an anticipated investment value of approximately EUR 46 million and is expected to have an initial yield of 6.2%. Completion and commissioning are planned for Q4 2021. The existing building is being acquired by procuring 100% of the shares in the SPV. Renovation work will begin after a permit has been obtained. Current rental income of EUR 2 million in total will continue to be generated until Q4 2020.

- **Closing Karspeldreef, Amsterdam – 320 units**

On 12 July 2018, Xior signed a purchase agreement resulting from the exercise of its purchase option with regard to a site located in Amsterdam. This site, which has a long-term lease, is located on Karspeldreef, near Amsterdam Bijlmer Arena Station. Xior plans to redevelop a total of 320 self-contained student units on this site. This office building conversion project consists of 6 connected buildings, each with its own facilities (such as a lift). The building will also have 170 parking spaces. The announced expected investment value will be around EUR 55 million (subject to the further adjustment of the number of units and the expected rental values during the project's development). The vendors will provide a yield guarantee for this project from 1 September 2018, and will also provide a one-year rental guarantee. This acquisition was successfully completed on 8 April 2019. The initial yield is 6%.

- **Acquisition of the Diagonal Besòs student complex in Barcelona – 191 units**

On 13 March 2019, Xior signed an agreement to acquire a student complex to be developed in Barcelona. This is a brand-new student residence located in the recently opened campus of the Universitat Politècnica de Catalunya (UPC) (with 3,500 students and 400 professors/researchers), near the beach and the trendy '22@ district'. The residence has 191 self-contained rooms and will offer all modern facilities, such as an in-house restaurant, a gym, study rooms, a swimming pool and a roof terrace. The building is fully furnished and was constructed based on a 50-year concession (until 2067). The residency was completed and commissioned from September 2019. The seller has given a 50% rental guarantee for the building's occupancy during the summer months (July and August) for a 3-year term (from 2019). This allows Xior to find occupants for the remaining units during the summer holidays in collaboration with the university, local companies and summer work experience providers. During the academic year, the units are rented out under 10-month contracts. The concession was awarded and is actively managed by a consortium made up by the UPC and three local authorities (Catalonia, Barcelona and Besòs), with whom Xior expects to be working closely and productively in order to make the residence and the entire campus a success. The transaction took place on 21 May 2019 through the acquisition of all shares of the relevant project company of LIFE, a Belgian developer with which Xior has already successfully collaborated in the past in Belgium and the Netherlands. The total investment value is approximately EUR 25.5 million and the expected initial yield is approximately 7%.

- **Agreement on the development of two student properties in Portugal in a joint venture structure – 335 units**

On 13 March 2019, Xior signed a deal for the development of student properties in Lisbon and Porto in a joint venture structure.

The project in Lisbon (Artur Lamas) concerns a student residence of 124 units (254 beds) and 14 parking spaces on a wholly owned greenfield site. This residence was already the subject of a 12-year triple net lease agreement with Odalys Portugal at a fixed rent (the parent company, Odalys Groupe, has provided a full parent guarantee for its Portuguese subsidiary). The project will also house a laundry room, fitness room, study room, cafeteria and reception. The development will involve a joint venture with various parties including Promiris, a Belgian party that Xior has worked with successfully on projects in Belgium in the past. Xior's entry will be phased: 50% of the joint venture shares will be purchased upon obtaining the necessary administrative assurances that the permit will be obtained (under certain suspensive conditions) and the remaining 50% will be acquired upon completion. The permit is expected to be obtained during the second quarter of 2020. Completion is scheduled for the second half of 2021.

The project in Porto (Granho) concerns the redevelopment of an existing, wholly owned building into a student complex with 211 units (420 beds) and 3 parking spaces. The building will also house a laundry room, reception, fitness room and cafeteria. The transaction also includes 16 residential apartments to be realised under the project. Odalys Portugal will also act as the operator and tenant for this building, excluding the apartments, on a triple net basis (with a guarantee by the Odalys Groupe) for 12 years at an annually increasing rent, which the seller will guarantee and supplement during the first 7 years (up to the level that is reached in year 7). This ensures a stable, high rent for Xior. The development will be structured in the same way as the Lisbon project in a joint venture – also involving Promiris – with phased access. The necessary assurances have been obtained under administrative law that the permit will be obtained and access was obtained on 28 August 2019 (see above). Completion is expected in the second half of 2021.

The total investment value of both projects is approximately EUR 28.2 million. The expected theoretical gross initial yield on the student accommodation is approximately 8%.

- **Acquisition of project land in Ghent**

On 17 January 2019, Xior acquired project land on Bagattenstraat, a prime location in the centre of Ghent. Xior aims to develop a quality student property there.

5.5

POST BALANCE SHEET EVENTS

5.5.1 ACQUISITION IN EINDHOVEN – 250 UNITS

On 30 January 2020, Xior acquired a redevelopment project in Eindhoven with an expected 250 independent student units. This transaction has an anticipated investment value of approximately EUR 32 million and an expected initial yield of 6.0%. The completion and commissioning are planned for H2 2022, as the result of which a fully renovated complex will be added to Xior's portfolio.

This office building, known as Boschdijk Veste, will be transformed into a student residence with all modern conveniences, consisting of an expected 250 independent student rooms, various communal areas, a courtyard garden, bicycle parking, etc. This building is currently leased as an office and will generate income during the expected duration of the permit process. The permit application and follow-up will be carried out by the vendors, with Xior benefiting from a buyback guarantee if the permit process cannot be concluded successfully.

5.5.2 ACQUISITION OF A STUDENT COMPLEX IN GRANADA

On 28 February 2020, Xior reached an agreement, subject to conditions precedent, on the acquisition of a new student residence in Granada (Andalusia). The former colegio mayor, previously known as Loyola and strategically located on the University of Granada's Cartuja campus, is currently being redeveloped and expanded to a residence with 347 units (354 beds). Completion and commissioning are planned for Q3 2020, whereby a brand-new complex will be added to Xior's portfolio in one of the largest student towns in Spain. The operational company of the seller and developer of the project, Amro Estudiantes, will run the residence for the first two academic years based on a triple net lease. After this two-year period, Xior will take over operation. The total anticipated investment value for Xior stands at EUR 37 million, with an expected stabilised gross return of ca. 7%. This acquisition will contribute to Xior's results as from 1 September 2020.

5.5.3 ISSUE OF US GREEN BOND PRIVATE PLACEMENT OF EUR 100 MILLION

On 9 April 2020, Xior has successfully closed its first debt capital markets transaction by means of signing the contractual documentation for a EUR 100m Green US Private Placement bond. The bonds were placed through a US private placement with three institutional investors belonging to a large international insurance group. The notes have a notional amount of EUR 100m split between a EUR 34m tranche with a 6 year tenor and a EUR 66m tranche with a 12 year tenor, bearing a coupon of 1.92% (for the 6 year notes) and 2.32% (for the 12 year notes). The notes are issued under Xior's newly established Green Finance Framework, dated 13 March 2020, on which Xior obtained a positive Second Party Opinion provided by Sustainalytics.

5.5.4 UPDATE COVID-19 ('CORONA-CRISIS')

The accelerated spread of Covid-19 ("coronavirus") has prompted governments to take measures to protect the health of

citizens and slow down the spread of the virus. At Xior, too, the primary focus is on the health of its students, teams and all stakeholders.

This crisis is having a significant impact on public life, economic activity and global supply chains. The exact impact of this crisis will depend on the duration and evolution of the epidemic and the accompanying government measures. Xior currently estimates the risks and its position in this respect as follows:

- **Impact on the 31 December 2019 results:** Covid-19 has no impact on the figures of the closed financial year, allowing Xior to confirm its dividend forecast for 2019.
- **Financing:** As of 31 December 2019 and pro forma as of 31 March 2020, the debt ratio is less than 50%. In addition, Xior has sufficient committed credit lines to meet its capex obligations until mid-2022, partly thanks to the issue of a US Green bond for an amount of EUR 100 million (see 5.5.3).
- **Rental income and costs:** In the various countries in which it operates, Xior has made a limited commercial contribution to students, as appropriate, in the form of a discount on the rent or a reduction in (service) costs. The loss of revenue due to these measures will be compensated by savings (e.g. in marketing) and cost efficiencies to be achieved. The possible impact of defaults by tenants (which could potentially increase as a result of the changing economic situation, notwithstanding the fact that in most cases the leases continue) and the associated collection costs cannot be estimated at present. We will provide a first interim update in the Q1 2020 figures.
- **Operations:** The new rental season has already started for Belgium and the Netherlands. Where the Belgian rental market is typically characterised by mainly physical viewings of student rooms, which is not possible in the current Covid-19 era, a virtual tour was developed where students can 'view' rooms online. The response so far has been very positive, and the rentals are roughly on schedule. In the Netherlands, Spain and Portugal rentals are often organised online, so the lack of viewings is not having such a big impact on rentals. There, too, the rental season is currently on schedule. Of course, it cannot currently be predicted whether and to what extent the coronavirus crisis will have an impact on the next academic year (e.g. by postponing the start of actual classes, or by postponing or cancelling international exchanges).
- **Projects in progress:** The reconversion of the project on Lutherse Burgwal is currently underway. This construction work is still ongoing and completion is still expected for September 2020. For the rest, all construction projects and permit procedures in Portugal, Spain, the Netherlands and Belgium are currently ongoing, and there is no impact on the general timelines of these projects yet to be reported.

Within this framework, it is not possible today to estimate the exact impact on the 2020 EPRA earnings. Xior has several instruments at its disposal that can help reduce the financial impact; these include rent guarantees, third-party guarantees, cost savings, short-term rentals, summer rentals and rent monitoring with the assistance of external companies.

The implications on the implementation of the business plan 2020-2022 cannot be estimated today because the economic recession provoked by this crisis may have an impact on parents' disposable budget for student rooms.

5.6

PROSPECTS FOR 2020

5.6.1 GROWTH PROSPECTS FOR THE 2020 FINANCIAL YEAR

Xior has every intention of continuing to pursue its growth strategy in 2020 by adding quality student properties to its property portfolio and by completing the projects in its development pipeline. Although there is currently a lot of uncertainty in the market, Xior is convinced that both in Belgium and the Netherlands, as well as in the Iberian peninsula, there continue to be a number of attractive growth opportunities available and that there will be interesting investment opportunities for Xior this year.

During the implementation of that strategy, Xior will strive towards a balanced growth of both equity and loan capital with a healthy combination of various financing sources, whilst keeping the debt ratio under control and maintaining the EPRA earnings per share and increasing the dividend per share compared to 2019 (see *Chapter 7.6.3 of this Annual Report*).





5.7

DATA ACCORDING TO THE EPRA REFERENCE SYSTEM¹⁷

5.7.1 EPRA KEY PERFORMANCE INDICATORS

The data set out below is not required by the legislation on Regulated Real Estate Companies. The Statutory Auditor verified whether the EPRA-earnings, EPRA net asset value (NAV) and EPRA triple net asset value (NNNAV) ratios were calculated according to the definitions quoted in the EPRA 'Best Practice Recommendations' and whether the financial data used in the calculation of these ratios correspond with the accounting information included in the Consolidated Financial Statements.

¹⁷ Financial performance indicator calculated in accordance with the EPRA (European Public Real Estate Association) Best Practice Recommendations. See also www.epra.com.

		31/12/2019		31/12/2018	
	Definitie	in KEUR	EUR per share	in KEUR	EUR per share
EPRA earnings 	Underlying result derived from the strategic operating activities. This indicates the extent to which dividend payments are covered by earnings.	24,103	1.61	16,179	1.46
EPRA NAV 	Net asset value (NAV) adjusted to take into account the Fair Value of the real estate property and excluding certain elements that are not part of a financial model of long-term property investments.	688,088	35.96	433,011	31.45
EPRA NNNAW 	EPRA NAV adjusted to take into account the fair value of (i) the assets and liabilities, (ii) the debts and (iii) the deferred tax.	625,808	32.71	410,019	29.78
			%		%
EPRA Net Initial Yield (NIY)	Annualised gross rental income based on the current rent on the closing date excluding the property charges divided by the portfolio market value plus the estimated transaction rights and costs in case of hypothetical disposal of investment property.		4.8%		4.6%
EPRA Adjusted Net Initial Yield (Adjusted NIY)	This measure integrates an adjustment of the EPRA NIY for the end of rent-free periods or other non-expired rental incentives.		4.8%		4.6%
EPRA rental vacancy ¹⁸	Estimated rental value of vacant units divided by the estimated rental value of the total portfolio.		2.97% ¹⁹		1.50%
EPRA cost ratio (incl. vacancy costs) 	EPRA costs (including vacancy costs) divided by the gross rental income.		23.4%		25.2%

EPRA cost ratio (excl. vacancy costs)	EPRA costs (excluding vacancy costs) divided by the gross rental income.		22.5%		24.4%
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	31/12/2019	31/12/2018
EPRA earnings		
Net result	7,659	16,105
Variations in the fair value of the investment property	-17,982	-5,372
Other portfolio results	22,005	- 351
Result from the sale of investment properties	0	0
Variations in the fair value of financial assets and liabilities	9,150	5,393
Share in the result of joint ventures and associated companies	1,398	-270
Deferred taxes with regard to IAS 40 adjustments	1,872	673
EPRA earnings	24,103	16,179

	31/12/2019	31/12/2018
Result on the portfolio		
Result from the sale of investment properties	0	0
Variations in the fair value of the investment property	17,982	5,372
Other portfolio results	-22,005	351
Result on the portfolio	-4,023	5,722

	31/12/2019	31/12/2018
EPRA earnings per share		
Net result	7,659	16,105
Variations in the fair value of the investment property	-17,982	-5,372
Other portfolio results	22,005	-351
Result from the sale of investment properties	0	0
Variations in the fair value of financial assets and liabilities	9,150	5,392
Share in the result of joint ventures and associated companies	1,398	-270
Deferred taxes with regard to IAS 40 adjustments	1,872	6.73
Weighted average number of shares	14,996,135	11,109,319
EPRA earnings per share	1.61	1.46
EPRA earnings per share – group share	1.60	1.46

	31/12/2019	31/12/2018
Average interest rate		
Nominal interest paid on loans	4,720	2,276
Costs of permitted hedging instruments	2,540	1,716
Capitalised interest	2,248	1,612
Average outstanding debt for the period	470,695	304,323
Average interest rate	2.02%	1.84%
Average interest rate excl. costs of permitted hedging instruments	1.48%	1.28%

	31/12/2019	31/12/2018
Average financing costs		
Nominal interest paid on loans	4,720	2,276
Costs of permitted hedging instruments	2,540	1,716
Capitalised interest	2,248	1,612
Reconstitution of the nominal amount of financial debt	218	87
Bank costs and other commissions	404	284
Average outstanding debt for the period	470,695	304,323
Average financing costs	2.15%	1.96%
Average financing costs excl. costs of permitted hedging instruments	1.61%	1.40%

	31/12/2019	31/12/2018
EPRA NAV		
Net asset value according to the financial statements	625,808	410,019
To be excluded:		
- Fair value of financial assets and liabilities	15,467	6,317
- Deferred taxes	46,813	16,675
EPRA NAW	688,088	433,011
EPRA NAV (EUR/share)	35.96	31.45

	31/12/2019	31/12/2018
EPRA NNNAW		
EPRA NAW	688,088	433,011
Toe be added:		
- Fair value of financial assets and liabilities	-15,467	-6,317
- Deferred taxes	-46,813	-16,675
EPRA NNNAW	625,808	410,019
EPRA NNNAW (EUR/aandeel)	32.71	29.78

	31/12/2019	31/12/2018
EPRA Net Initial Yield		
Investment property – full property fair value	1,204,634	830,899
Investment property – share in joint ventures	29,148	20,224
Minus property developments	-203,741	-179,435
Completed property portfolio	1,030,041	671,688
Transaction fees	31,101	20,718
Investment value of the property available for rent	1,061,142	692,407
Annualised gross rental income	55,424	35,099
Property charges	4,488	-3,352
Annualised net rental income	50,936	31,747
Notional amount at the end of the rent-free period	-	-
Adjusted annualised net rental income	50,936	31,747
EPRA Net Initial Yield	4.8%	4.6%

EPRA Adjusted Net Initial Yield	4.8%	4.6%
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	31/12/2019	31/12/2018
EPRA Rental Vacancy		
Estimated rental value of the vacant units	1,648	637
Estimated rental value of the entire portfolio ²⁰	55,424	42,195
EPRA Rental vacancy	2.97%²¹	1.50%

	31/12/2019	31/12/2018
EPRA cost ratio		
General expenses	3,500	3,149
Impairments of trade receivables	125	165
Property charges	6,994	4,301
EPRA costs (incl. vacancy costs)	10,619	7,615
Vacancy costs	423	240
EPRA costs (excl. vacancy costs)	10,196	7,375
Gross rental income	45,327	30,246
EPRA cost ratio (incl. vacancy costs)	23.4%	25.2%
EPRA cost ratio (excluding vacancy costs)	22.5%	24.4%

²⁰ Calculated in relation to annualised interest of the operating portfolio. Last year calculated in relation to total annualised interest of the portfolio, adjusted this year.

²¹ The ERV rental void of 2.97% on 31 December 2019 is due to the ramp-up of the completed properties in the last quarter of 2019.

5.7.2 EPRA NET RENTAL INCOME ON A CONSTANT COMPARISON BASIS

	31/12/2019			31/12/2018		
	Constant composition of the portfolio during a period of two years	Acquisitions	Divestments	Total net rental income	Constant composition of the portfolio during a period of two years	Evolution of net rental income (in %)
Changes as a result of indexation	21,380	23,676		45,056	21,047	334
Changes in the occupancy rate						
Changes resulting from renegotiations with existing tenants						
Change in the compensation payments received						
Other changes						
Total rental income assuming constant composition	21,380	23,676		45,056	21,047	334
Reconciliation with the consolidated net rental income						
Impairments				-124		
Net rental result				44,932		

The table above shows the evolution of the EPRA rental income assuming the composition of the portfolio remains constant. However, the impact for 2019 is limited given that only a small number of the properties formed part of the portfolio for the whole of the years 2018 and 2019. The impact is again expected to be greater for 2020 given that more properties will have formed part of the portfolio for 2 years.

The like-for-like of the EPRA rental income recorded an increase of 1.59%. This is largely attributable to the indexation of the rental income in the Netherlands and indexation of the commercial rental contracts.

5.7.3 EPRA CAPEX TABLE

	31/12/2019	31/12/2018
EPRA Capex		
Property acquisitions	325,191	287,716
Developments	28,532	30,144
Like-for-like portfolio	2,480	1,303
Miscellaneous	2,248	1,612
Total	358,451	320,775

Developments refers to the capex on ongoing development projects or development projects that were concluded in the course of 2019. The like-for-like portfolio relates to capex on properties that had been acquired and rented by 1 January 2019. This concerns improvement investments and thorough renovations, whereby buildings were temporarily taken out of lease for renovation. Other relates to capitalised interest expenses.

5.8

REQUIRED ELEMENTS OF THE ANNUAL REPORT

In accordance with Articles 3:6 and 3:32 of the Companies and Associations Code, the required elements of Xior's Annual Report are contained in the following chapters:

1. Risk Management, 5.2. Management Report – Comments on the Consolidated Financial Statements for the financial year of 2019, 5.3. Management Report – Management and use of financial resources, 5.4. Management Report – Transactions and achievements, 5.5. Management Report – Post balance sheet events, 5.6. Management Report – Prospects for 2020, 6 Corporate Governance, 9 Corporate Social Responsibility and 10 Financial Report.



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06

Corporate governance

6.1

CORPORATE GOVERNANCE STATEMENT

6.1.1 CODE OF REFERENCE AND CORPORATE GOVERNANCE CHARTER

This Chapter outlines the rules and principles that form the basis for the organisation of the Company's corporate governance. This statement contains the main rules that Xior has adopted pursuant to legislation and recommendations on corporate governance and forms part of the Annual Report, in accordance with Article 3:6, Sections 2 and 3 of the Belgian Companies and Associations Code.

The Company applied the Belgian Corporate Governance Code for the previous financial year that was published by the Corporate Governance Committee on 12 March 2009 (the Governance Code 2009, available on the following website: <http://www.corporategovernancecommittee.be>) as a reference code. The Company has not made use of the option to optionally apply the new Corporate Governance Code 2020 for the financial year 2019, but will do so for the financial year starting as from 1 January 2020, and the Corporate Governance Charter was amended accordingly on 20 April 2020.

The Company's Corporate Governance Charter (including the Dealing Code) were approved on 25 November 2015 and were last updated on 20 April 2020. The Company has also established a 'whistleblowing procedure' (Internal Reporting Procedure). These documents are available on the Company's website (<http://www.xior.be/en/investor/corporate-governance>), and can be obtained free of charge at the Company's registered office.

The Company does its utmost to comply at all times with the principles on corporate governance as set out in the Governance Code 2009, without prejudice to the applicable statutory provisions (particularly those of the Belgian Companies and Associations Code and Legislation on Regulated Real Estate Companies) and the Company's Articles of Association. If the Company deviates from one or more principles or provisions of the Governance Code 2009, it must set out the reasons for this in the corporate governance statement, in accordance with the 'comply or explain' principle.

Xior's Board of Directors fully endorses the principles of the Governance Code 2009, but believes that certain, limited deviations from its provisions are justified in light of the nature, size and complexity of the Company and its activities. More specifically, in 2019 Xior deviated from the following recommendations of the Governance Code 2009:

- Provision 2.9 of the Governance Code 2009 – Secretary: In view of the limited number of directors and the absence of separate committees apart from the Audit Committee and the Investment Committee, no official secretary has been appointed. Each director may directly approach the CEO or the Compliance Officer of the Company. On 31 March 2020, it was decided to appoint the General Counsel of the Company as Secretary of the Board of Directors.
- Principle 5 of the Governance Code 2009 – special committees: on 16 December 2019, in addition to the investment committee, the Company set up one special committee, the audit committee. The Company has not yet established a special remuneration committee and appointment committee as described in the Belgian Companies and Associations Code, firstly because it is not obliged to do so under the applicable statutory thresholds and, secondly, because this is not currently deemed necessary in view of the complexity, nature and size of the Company and its activities. The Board of Directors moreover decided on 31 March 2020 to set up a remuneration and appointment committee, of which all the non-executive directors of the Company are part and with Mr. Wouter De Maeseneira as chairman; in this respect, the following is also specified:

- The Corporate Governance Code recommends that the remuneration committee should consist of non-executive directors only and that the majority should be independent directors (also see Article 7:100 of the Belgian Companies and Associations Code). However, Xior's remuneration committee was in 2019 comprised of the entire Board of Directors. The remuneration committee thus comprises six members, two of whom are executive directors and four are independent, non-executive directors. Since the law permits the Company to deviate from the obligation to establish a remuneration committee, the Company wished to make use of this option. After all, the Company was convinced that the composition of its Board of Directors is such that it can fulfil the role of remuneration committee with due independence and objectivity. An executive director did not participate in deliberations and decision-making relating to their own remuneration. As of 31 March 2020 a separate remuneration and appointment committee was set up, existing only out of non-executive directors of the Company.

6.1.2 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

6.1.2.1 General

Internal control is a process that aims to provide reasonable certainty about the effectiveness and improvement of the Company's operations, the reliability and integrity of information, and conformity with policy lines, procedures, legislation and regulations.

The 'internal control' is divided into three specific pillars: internal audit (internal audit procedures and internal audit function), risk management (risk management policy and risk management function) and compliance (integrity policy and compliance function), for which purpose 'internal audit' should not only be implemented as a separate third pillar but also play a 'transversal' role in relation to the other two pillars. The performance of each of these functions, in conjunction with the responsibilities of the operational services, forms a 'line of defence' against the risks faced by the Company. The organisation of the above functions is approached in an appropriate and proportional manner, depending also on the nature, size and complexity of the Company's activities in terms of its balance sheet, result and number of staff. For a more detailed description of the Company's internal control, please refer to Chapter 7 of the Company's Corporate Governance Charter, which is available on its website (<http://www.xior.be/en/investor/corporate-governance>).

From their respective roles as CEO and CFO of the Company and executive directors, the effective leaders ("effectieve leiders/dirigeants effectifs"), Christian Teunissen and Frederik Snauwaert, assume responsibility for the organisation of internal control under the supervision of the Company's Board of Directors.

6.1.2.2 Organisation of internal control

The tasks of the Company's audit committee include: (i) the monitoring of the financial reporting process; (ii) the monitoring of the statutory audit of the financial statements and the Consolidated Financial Statements, including follow-up of the questions and recommendations formulated by the statutory auditor; and (iii) the assessment and monitoring of the independence of the statutory auditor, paying particular attention to the provision of additional services to the Company. The audit committee performs its tasks when the Board of Directors draws up the annual financial statements, the Consolidated Financial Statements and the summary financial statements intended for publication. Prior to every half-yearly meeting of the Board of Directors, a half-yearly report is drawn up and submitted by the Statutory Auditor to the audit committee.

6.1.2.3 Risk analysis and audit procedures

The audit committee regularly assesses the risks to which the Company is exposed, reports on this to the Board of Directors

and the latter takes the necessary decisions on the basis of this assessment (e.g. with regard to market developments (both property and rental potential), determining the financing and interest rate hedging strategy, assessing tenant risks, determining and managing the identified residential risks, etc.).

In this context, at the end of 2019 and with the assistance of Deloitte Consulting & Advisory CVBA/SCRL's risk team, a risk mapping was carried out and reported to the Board of Directors. On this basis, the Company's risk policy was further refined. This takes the form of a risk matrix, an identification of the residual risks to which the Company is exposed, the determination of a "target level" for these risks and a detailed action plan for each risk in order to evolve towards this target level. The Company will repeat this exercise on a regular basis and use its conclusions to determine the risk management strategy and evaluate the results of the initiatives taken.

6.1.2.4 Financial information and communication

The process for drawing up financial information is structured on the basis of pre-determined tasks and timetables that must be observed. The audit environment for the purpose of financial reporting, consists of the following components:

- The finance and accounting team is responsible for the preparation and reporting of the financial information.
- Xior uses a checklist with a summary of all tasks that must be performed in relation to the annual, half-yearly and quarterly closing of its accounts (at both the statutory and consolidated accounts levels). A manager within the financial department and the timetable to be observed are linked to each task. Based on this checklist, everyone within the financial department knows what tasks have to be performed and by what deadline.
- The controller (Finance Manager) is responsible for the verification of the separate financial information and the follow-up of the accountants.
- The Finance & Reporting Director is responsible for the preparation of the consolidated figures (in collaboration with the CFO) and the feedback on the financial information to Xior's operational activities. The Finance & Reporting Director is also responsible for preparing all financial reporting for the public, the Management and the Board of Directors.
- The Finance & Reporting Director analyses the quarterly figures and compares them with the budget or forecast and with the figures of the previous quarter or previous year. This analysis is discussed afterwards with the CFO and CEO.
- The CFO is responsible for the final check of the Consolidated Financial Statements, and warrants the correct application of the valuation rules.
- The CFO regularly discusses the financial information with the CEO as the person responsible for the day-to-day policy.
- The CEO, CFO and Finance & Reporting Director regularly hold extensive meetings to discuss the main financial priorities.
- The Board of Directors questions and discusses the financial reporting and forecasts in depth with the CEO and CFO each quarter and ensures the correct application of the valuation rules.

6.1.2.5 Persons involved in evaluating internal control

The quality of internal control is also assessed during the course of the financial year by the:

- Statutory Auditor: firstly as part of the audit of the annual figures and the limited audit of the half-yearly figures and, secondly, as part of the annual assessment of the underlying processes and procedures. The processes are adjusted, where necessary, based on the Statutory Auditor's recommendations.
- Audit Committee (see above) and the Board of Directors.
- Internal audit.
- Valuation Experts: the Company's Valuation Experts obviously play an important indirect role for purposes of internal control with regard to the appraisal of the Company's property.
- FSMA: as a listed company and a public RREC, the Company is supervised by the Belgian Financial Services and Markets Authority (FSMA). This involves a specific inspection of the financial information.
- Compliance Officer.

6.1.2.6 Pillars of internal control

6.1.2.6.1 Appropriate risk management function and appropriate risk management policy

The person responsible for the risk management function prepares, develops, monitors, updates and implements the risk management policy and risk management procedures. The role of Risk Manager in the Company is filled by the CFO, Frederik Snauwaert, who was appointed to this role for an indefinite period.

The Risk Manager fulfils this role based on his job responsibilities and operational experience by analysing the risks facing the Company both on a regular basis and on an ad hoc basis. This may result in practical advice to the Company's other departments. The Risk Manager frequently reports to the Company's other effective leader, and the Risk Manager discusses the main risk developments at least once a year with the Board of Directors, through the audit committee, which bears final responsibility for the Company's risk management.

It is underlined that risk management is an integral part of the way the business is run on an operational, technical, financial and legal level. This covers the daily financial and operational management, continuous consultation internally and with external advisers where necessary, the optimal application of the four-eyes principle, the analysis of new investment cases, due diligence procedures, the definition of the strategy and objectives and the embedding of strict decision-making procedures. Risk management is therefore the responsibility of the entire team across all layers of the organisation, each at their own level with different responsibilities.

6.1.2.6.2 Appropriate independent internal audit function

The 'internal audit' can be understood as an independent appraisal function that is embedded in the organisation and focuses on the investigation and evaluation of the operation, effectiveness and efficiency of the Company's (control) processes/procedures, including the compliance and risk management functions. Internal audit includes the operation, effectiveness and efficiency of processes, procedures and activities regarding: (i) operational matters (quality and adequacy of systems and procedures, organisational structures, policies and methods and resources used in relation to objectives); (ii) financial matters (reliability of accounting, financial statements and the financial reporting process, and compliance with applicable (accounting) regulations); (iii) management matters (quality of the management function and staff services within the framework of the company's objectives); and (iv) risk management and compliance.

The Company has entrusted the internal audit function to an external party by appointing independent consultancy firm Mazars, which is permanently represented by one and the same individual, Anton Nuttens. His mandate was entered into for a period of three years and has now been extended for a further three years until 2021. Sofie Robberechts (Finance & Reporting Director) was permanently appointed as the person ultimately responsible for overseeing the external auditor's internal audit function.

6.1.2.6.3 Appropriate independent compliance function and appropriate integrity policy

The 'independent compliance function' is kept as an independent function within the organisation and focuses on investigating and promoting the Company's compliance with the laws, regulations and rules of conduct applicable to the Company, particularly the rules relating to the integrity of the Company's operations. These include the rules resulting from the Company's policy, the Company's status and the other statutory and regulatory provisions. In other words, they are part of the corporate culture with an emphasis on honesty and integrity, adherence to high ethical standards in business and compliance with the regulations applicable to the Company. The Company (this RREC) and its employees must behave with integrity: they must be honest, reliable and trustworthy.

The person charged with the compliance function is responsible for preparing and testing recommendations. The compliance function's work domain specifically includes, but is not limited to the monitoring of compliance with the applicable rules on (i) conflicts of interest, (ii) market abuse (inside information and market manipulation) and (iii) the

incompatibility of mandates (for example with respect to the assessment of directors' independence), possibly laid down in the Company's code of ethics. These rules have been developed further in the Company's Corporate Governance Code, including the Dealing Code.

Senior management (regularly) investigates which other domains and activities should be included in the sphere of activities of the compliance function. It does so based on a risk analysis and in consultation with the Board of Directors, taking into account the Company's specific characteristics.

The Compliance function was assigned to Mr Arne Hermans (CIO) for an indefinite period. However, Arne Hermans left the Company at the end of the first quarter of 2019 (*see Chapter 6.1.12 of this Annual Report*), thereby ending his mandate as Compliance Officer. The Compliance function will henceforth be exercised by Michael Truyen, who was appointed for an indefinite period.

6.1.3 SHAREHOLDERSHIP

6.1.3.1 Company founders

The Company's historic founders are:

- Aloxe NV, a public limited company under Belgian law, with registered office at Mechelsesteenweg 34, Box 101, 2018 Antwerp, entered in the Crossroads Bank for Enterprises under company number BE 0849.479.874 (Antwerp Register of Legal Entities, Antwerp section);
- Bimmoc BVBA, a private limited company under Belgian law, with registered office at Mechelsesteenweg 34, Box 101, 2018 Antwerp, entered in the Crossroads Bank for Enterprises under company number BE 0899.916.906 (Antwerp Register of Legal Entities, Antwerp section).

6.1.3.2 Shareholder structure

As of 31 December 2019, the issued capital of Xior Student Housing NV was EUR 344,396,322.00, represented by 19,133,129 fully paid-up shares.

The following table illustrates Xior's shareholder structure based on the information received from the shareholders (see also transparency notifications) and/or publicly known information on Aloxe NV.

Shareholders	# shares (31/12/2019)	% shares (rounded) (31/12/2019)
Aloxe NV - Mr. C. Teunissen & Dhr. Frederik Snauwaert ¹	3,466,740	18.12%
AXA Investment Managers S.A. ²	1,325,808	6.93%
Public (<i>free float</i>)	14,340,581	74.95%
Total (denominator)	19,133,129	-

¹ Transparency notification of 12 December 2018 and public information (including the denominator as per 29 October 2019).

² Transparency notification of 12 December 2018 and public information (including the denominator as per 29 October 2019).

No special rights of control are granted to certain categories of shareholders.

6.1.3.3 Members of the Board of Directors or the executive management

The following table shows an overview of the number of shares owned by members of the Board of Directors and the executive management as of 31 December 2019.

Member of the Board of Directors or the executive management	Numbers of shares on 31 December 2019
Aloxe NV – Mr C. Teunissen & Mr Frederik Snauwaert (see transparency notification/public information)	3,466,740
Mr. Christian Teunissen ¹	0
Aloxe NV	3,462,740
Mr. Frederik Snauwaert	4,000
Mr. Joost Uwents	1,220
Mr. Wouter De Maeseneire	1,347

¹ Aloxe NV has a direct stake of 3,462,740 shares in Xior Student Housing NV. Aloxe NV is controlled by Christian Teunissen (directly and via Nevi BV, a company which is likewise controlled by Christian Teunissen).

6.1.4 BOARD OF DIRECTORS OF THE COMPANY

6.1.4.1 General

The Board of Directors consists of six directors. It includes four non-executive independent directors (including the Chairperson) and two executive directors, one of which is the Managing Director.

The composition of the Board of Directors must be characterised by a proportional representation between executive, independent and other non-executive directors. At least half of the Board of Directors consists of non-executive directors, and at least three of them are independent within the meaning of Article 7:87 Section 1 of the Belgian Companies and Associations Code and Annex A of the Governance Code 2009.

The composition of the Board of Directors must guarantee that decisions are taken in the Company's interest. This composition will be determined on the basis of complementarity in terms of competences, experience and knowledge. The aim is to achieve a composition of the Board of Directors that guarantees the presence of directors who are familiar with the property sector in general, student housing in particular and/or other contiguous areas of expertise that are deemed important for the Company's activities. The further aim is to achieve a representation of directors who are experienced in operational, financial and other aspects of real estate company management, and of a regulated real estate company in particular, and/or in policy in listed companies.

The necessary attention will also be paid to the requirements of gender diversity and diversity in general. Article 7:86, of the Belgian Companies and Associations Code stipulates that in companies whose securities are admitted to trading on

a regulated market, at least one third of the members of the Board of Directors must be of the opposite sex to that of the other members. For the application of this provision, the required minimum number of members of the opposite sex is rounded off to the closest whole number. For companies whose securities are admitted to a regulated market for the first time, this obligation must be complied with from the first day of the sixth financial year that commences after this admission (from 1 January 2021). After the end of a directorship, the Company will make a selection based on clear, gender-neutral and unambiguous criteria, taking into account the realisation that preference needs to be given, where applicable, to the under-represented sex. The Board of Directors currently has one member of the opposite sex to the other five members.

Under RREC Legislation, the directors, effective leaders and those responsible for the independent control functions may only be natural persons. In accordance with the relevant provisions of the Legislation on Regulated Real Estate Companies, members of the Board of Directors must always have the required professional reliability and appropriate expertise for the performance of their duties. They may not fall within the scope of the prohibitory provisions of the Legislation on Regulated Real Estate Companies. Their appointment must be submitted to the FSMA for prior approval.

6.1.5 COMPOSITION

The Company's Board of Directors consists of six members. The current directors were appointed for the first time by the Company's Annual General Meeting on 23 November 2015. The directors of the Company were reappointed for a second mandate by the Company's Annual General Meeting on 16 May 2019 and their current mandate will end at the close of the ordinary Annual General Meeting that will decide on the annual financial statements drawn up for the financial year ending 31 December 2021.

- i. two executive directors, namely Mr Christian Teunissen and Mr Frederik Snauwaert;
- ii. four non-executive directors, namely Leen Van den Neste, Joost Uwents, Wilfried Neven and Wouter De Maeseneire.

6.1.6 BRIEF DESCRIPTION OF THE DIRECTORS' PROFESSIONAL CAREERS

The mandates and a brief description of the directors' professional careers are provided below. For an outline of the professional careers of Christian Teunissen and Frederik Snauwaert, please refer to *Chapter 6.1.12 of this Annual Report*.

- i. **Ms Leen Van den Neste (Born in 1966 – Office address: vdk bank, Sint-Michielsplein 16, 9000 Ghent)**
Leen Van den Neste chairs the Executive Committee of vdk bank, which she joined in 2011. She worked for Groep Arco from 1995 to 2011 and was a member of the Executive Committee there as well. Leen Van den Neste obtained a law degree and a secondary education teaching qualification at the University of Ghent. She also obtained a special Accountancy degree at Vlerick Business School.

Current mandates: vdk bank NV (member of the Board of Directors), Febelfin (member of the Executive Committee and Board of Directors), Retail Estates NV, OGVV (listed company) (member of the Board of Directors, audit committee and remuneration committee), KAA Gent



CVBASO (member of the Board of Directors), Centrale voor Huisvesting Arrondissement Gent CVBA (Director), CPP-Incofin CVBASO (Director) and Gentco CVBA (Director).

ii. **Mr Joost Uwents (Born in 1969 – Office address: Blakebergen 15, 1861 Wolvertem)**

Joost Uwents is the CEO of WDP (Warehouses De Pauw NV, a listed public RREC), where he has been a member of the Board of Directors since 2002.

He obtained a degree in commercial engineering in 1991 and has an MBA from Vlerick Business School. Joost started his career as an Account Manager at Generale Bank in 1994.



In 1999, he became the CFO of the then listed real estate investment trust WDP. He has been the company's CEO since 2010. He contributed to WDP's development as the market leader in the rental of logistics and semi-industrial property in the Benelux with a property portfolio of more than EUR 4 billion in Belgium and the Netherlands.

Current mandates: managing director of WDPNV (listed company), and in that context executive director/managing director of various group companies: WDP France S.A.R.L., WDP Nederland N.V. (incl. as permanent representative of WDP Nederland N.V. as director of WDP Development NL B.V., Warehouses De Pauw Romania SRL, WDP Invest NV, WDP Luxembourg S.A., WVI GmbH).

iii. **Mr Wilfried Neven (Born in 1966 – office address: Rue des Croisiers 24, 4000 Liège).**

Wilfried Neven is the Chief Digital and Transformation Officer at Ethias s.a. since February 2020. He had previously worked within the Allianz Group since 2011, where he was CEO Belgium of Allianz Benelux NV until the end of 2019. Previously, he held mandates with P&V Group and ING Insurance Belgium. He obtained a degree in commercial engineering in 1989 and also completed a course in Risk Management at the Antwerp Management School. He also obtained additional qualifications at the ING Business School, Heemskerk (Netherlands) and the Guberna Institute.



Current mandates: Ethias s.a. (member of the executive committee).

Ended mandates: Allianz Benelux NV (CEO Belgium and board member), Allianz Nederland Groep NV (Management and board member), Assuralia (executive committee and board member), EDB Investments SCA (Supervisory Board member), Portima CBVA (Chairman of the board), Viaxis CVBA (Director), and the Royal Circle of Belgian Insurers CRAB/KKVB (Director).

iv. **Prof. Wouter De Maeseneire (Born in 1977 – Office address: Reep 1, 9000 Ghent)**

Wouter De Maeseneire is an associate professor in corporate finance at the Vlerick Business School and a visiting professor at Erasmus/Ghent University. In August 2015 he was appointed academic dean of the Vlerick Master degrees and he is also the programme director for the Master in Financial Management there. He studied Applied Economics at Ghent University and completed a doctorate at Erasmus Universiteit Rotterdam.



His research was presented at several international conferences, including the Financial Management Association and Academy of Management Meeting, Babson Entrepreneurship Conference, Strategic Management Society, Real Options Conference and Midwest Finance Association. Wouter published articles in scientific journals such as Research Policy and the Journal of Business, Finance and Accounting. He also contributed to many management books. After completing his thesis, he wrote a book about real options, a new technique used for the valuation of companies and projects that estimates the value of flexibility often available in high-risk investment projects.

Wouter received several Best Teacher Awards and won the 2012 EFMD Banking & Finance Case Writing Competition with his analysis of the ABInbev deal. His current research interests lie in IPOs, valuations, real options, venture capital, private equity, acquisitions and financing constraints.

Current mandates: Vlerick Partner CVBA.

6.1.7 BOARD OF DIRECTORS CHAIRMANSHIP

The Company's Board of Directors appointed Leen Van den Neste as its chairperson for an indefinite period on 25 November 2015. Leen Van den Neste's mandate as the Board's chairperson will end when her current mandate as director comes to an end, unless it is renewed by the Board following her reappointment as director at the general meeting.

6.1.8 RELIABILITY, EXPERTISE AND EXPERIENCE

Article 14 of the Law on Regulated Real Estate Companies impose specific regulations regarding professional reliability and the appropriate expertise on directors of public RRECs.

In the context of these obligations, the Company's directors and senior managers have stated that they have not been convicted for any fraudulent crimes in the past five years. All the Company directors have also declared that they have not been involved in any bankruptcy, moratorium or liquidation in the previous five years as members of the management or an administrative or supervisory body. There can be no family ties between the members of the administrative, management or supervisory bodies.

All directors and senior managers have also stated that they have not been the subject of any official or publicly expressed accusations and/or sanctions imposed by a regulatory or supervisory authority and that they have not been prevented by a court of law (i) to act as members of the administrative, management or supervisory body of an issuer of assets and liabilities, or (ii) to handle the management or operations of an issuer of assets and liabilities.

We are of the opinion that all directors contribute special knowledge and competencies in the field of social, environmental and governance issues on the basis of their personal extensive professional experience and background.

Finally, each Company director meets the selection and competency criteria included in the Company's Corporate Governance Charter (see **Chapter 6.1.4.1 of this Annual Report**), as follows::

- Christian Teunissen knows the property and construction sector and the student housing sector in particular.
- Frederik Snauwaert knows the property and construction sector and the student housing sector in particular and also has financial knowledge.
- Leen Van den Neste has financial knowledge and knowledge of risk management.
- Wilfried Neven has knowledge of the insurance sector and risk management, as well as knowledge of digital transformation.
- Joost Uwents has knowledge of the real estate and construction sector (both in Belgium and the Netherlands) as well as of public RRECs; moreover, Mr. Uwents, in his capacity as CEO of WDP, as a RREC at the top of the sector in terms of ESG objectives, vision and reporting, has particularly relevant experience for the challenges of the Company in this field.
- Wouter De Maeseneire knows corporate finance and capital markets and the Company's target audience in particular.

6.1.9 FUNCTIONING AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors meets at least four times a year (and, in 2019, at least 2 times as remuneration committee), and in any event often enough for the directors to actually be able to discharge their responsibilities. The Chairperson may convene other or additional meetings whenever this is required in the Company's interests or at the request of at least two directors or the CEO.

The Remuneration and appointment Committee meets at least twice a year. The audit committee meets at least four times a year.

The Board of Directors met eight²² times in 2019. It also acted as the Audit Committee at six of those meetings and as the Remuneration Committee at three of those meetings.

The Chairperson determines the agenda items for each meeting of the Board of Directors in consultation with the CEO. During the meeting, the Board of Directors may decide to add further items to the agenda insofar as all members are present and agree to this change to the agenda.

Each director may give a proxy to another member of the Board of Directors to represent them at a certain meeting.

The Board of Directors may validly deliberate on and adopt resolutions only if at least the majority of the directors are present or represented. If this quorum is not reached, a new meeting may be convened with the same agenda, which will validly deliberate and adopt resolutions if at least two directors are present or represented.

If a director has a direct or indirect interest of a financial nature that is in conflict with a resolution or transaction that falls under the Board of Directors' authority, they must act in accordance with the provisions of Article 7:96 of the Belgian Companies and Associations Code. The members of the Board of Directors must also comply with Articles 37-38 of the Law on Regulated Real Estate Companies.

Resolutions of the Board of Directors are adopted by a majority of the votes cast. Abstentions or invalid votes are not counted as votes cast. If the votes are tied within the Board of Directors, the motion is rejected.

The Board of Directors strives to guarantee the long-term success of the Company through enterprising leadership, while simultaneously assessing and managing the Company's risks within a framework of efficient and effective controls.

From its policy function, the Board of Directors decides on the values and strategy of the Company, its main policy lines and its risk appetite. It ensures that the Company's obligations to all its shareholders are clear and that these obligations are met, taking into account other stakeholders' interests.

From its supervisory function, the Board of Directors assesses the implementation and achievement of the Company's strategy and objectives, as well as the performance of its executive management.

In 2019, the Board of Directors also exercised the tasks provided for in Articles 7:99, Section 4 and 7:100, Section 5 of the Belgian Companies and Associations Code when acting in the capacity of Audit Committee (until the establishment of the separate audit committee) or Remuneration Committee (until the set up of a remuneration and appointment committee on 31 March 2020) (see *Chapter 6.1.13 of this Annual Report*).

In order to consistently improve its own effectiveness, the Board of Directors evaluates its size, composition, achievements and interaction with the executive management at the appropriate times. The actual contribution and presence of each director is periodically evaluated in order to be able to adjust the composition of the Board of Directors, taking into account

²² There was also an additional 'formal' meeting of the Board of Directors before the notary, in particular for the capital increase by contribution in kind on 15 October 2019. If we include these Board meetings, there have been nine Board meetings in 2019.

changing circumstances.

For a detailed description of the Board of Directors' duties and functioning, please refer to **Chapter 2.6** of the Company's Corporate Governance Charter.

6.1.10 SUMMARY OF THE BOARD OF DIRECTORS' OPERATION IN 2019

Name	Capacity	Mandate	Mandate start	Mandate end	Attendance
Leen Van den Neste	Non-executive chairperson, independent director	Second mandate	May 2019	May 2022	Board of Directors: 7/8 Audit committee: 5/6 Remuneration committee: 2/3
Joost Uwents	Non-executive, independent director	Second mandate	May 2019	May 2022	Board of Directors: 6/8 Audit committee: 4/6 Remuneration committee: 2/3 Investment Committee: 12/12
Wilfried Neven	Non-executive, independent director	Second mandate	May 2019	May 2022	Board of Directors: 8/8 Audit committee: 6/6 Remuneration committee: 3/3
Wouter De Maeseneire	Non-executive, independent director	Second mandate	May 2019	May 2022	Board of Directors: 8/8 Audit committee: 6/6 Remuneration committee: 3/3
Christian Teunissen	Executive director	Second mandate	May 2019	May 2022	Board of Directors: 8/8 Audit committee: 6/6 Remuneration committee: 3/3 Investment Committee: 12/12
Frederik Snauwaert	Executive director	Second mandate	May 2019	May 2022	Board of Directors: 8/8 Audit committee: 6/6 Remuneration committee: 3/3

6.1.11 MANAGING DIRECTOR AND EFFECTIVE MANAGEMENT

The Company's Board of Directors has entrusted the day-to-day management to one Managing Director, Christian Teunissen (CEO). The Managing Director was appointed for an indefinite period at the board meeting of 25 November 2015, provided that his mandate of Managing Director will end when his mandate as Company Director ends.

CFO Frederik Snauwaert and the CEO were together appointed as the Company's effective leaders ("effectieve

leiders"/"dirigeants effectifs") for an indefinite period in the sense of Article 14 of the Law on Regulated Real Estate Companies.

6.1.12 EXECUTIVE MANAGEMENT

The Company's executive management consists of three members, namely two executive directors (CEO and CFO) and the Chief Investment Officer, until the end of March 2019, Arne Hermans (as of 1 January 2020, this role will be filled by Mr Bastiaan Grijpink). They are appointed by the Board of Directors. Depending on its future size, activities and requirements, the Company may expand or vary its executive management in due course.

The Company's Board of Directors appointed the members of the executive management operating in 2019 for an indefinite period on 23 November 2015. At the end of the first quarter of 2019, Arne Hermans left the Company to pursue other professional challenges. The appointment of Bastiaan Grijpink as CIO was approved by the Board of Directors on 15 October 2019, with effect from 1 January 2020 and for an indefinite term.

CEO Christian Teunissen is the leader of the executive management. The CEO is responsible for areas such as the Company's daily management and the prospecting and identification of new property projects. The CEO also leads the Company's operational management and leasing activities. The CFO leads the financial, accounting and administrative department. In 2019 (until the end of the mandate), the CIO coordinated and implemented the Company's investments and transactions and oversaw the activities relating to the legal aspects, in particular the corporate and regulatory aspects the Company faces as a listed public RREC. Article 4.2 of the Company's Corporate Governance Charter describes the role and responsibilities of the members of the executive management. The functions and tasks of Arne Hermans were redistributed, with the General Counsel of the Company taking over the legal aspects.

The executive management's professional address is that of the Company's registered office: Mechelsesteenweg 34, Box 108, 2018 Antwerp, Belgium.

The professional careers of the members of the executive management are described briefly below.

i. **Christian Teunissen (Born in 1973)**

Christian Teunissen obtained his degree in commercial engineering (accountancy option) at EHSAL in Brussels in 1996. He started his career in the insurance sector at Fortis AG. In 2000, he started his own insurance business by buying up AdB Business Partners, which he later sold in 2005 to Van Dessel Verzekeringen. This allowed Christian Teunissen to spend 9 years in the insurance industry gaining knowledge and experience. Since 2005, Christian has focused on building up a real estate portfolio as a developer, investor and manager. In 2007, Christian Teunissen delivered his first student accommodation project, consisting of 45 student rooms. He has been at the helm of the Xior Group for a decade.



His professional property activities have focused especially on the student property sector, which is at the core of the development of the Company's current portfolio. He is the (co-)founder and director of several real estate companies, including Xior Student Housing NV.

Current mandates: His mandate as a Company Board member is complemented by other mandates in the following companies (the vast majority of which do not require actual participation in the daily management): Aloxe NV, Student House Building BV, Limimmo BV, Proinvest BV, Eland Group NV, Mopro Antigoon NV, Mopro Zurenborg BV, Jugho BV, M-Building B, Moose Real Estate BV, Studiosus BV, X-Building BV, Den Hill Diar BV, Anthonis Verzekeringen NV, Off Site Europe BV, Nevi BV, Livec NV, Landwin BV, Gropius BV, Lotta BV, Coral BV, Coral Build BV, B&C Enterprises Ltd., Teuvan NV, Immo DDL NV, Silex BV, Stubis BV.

Past mandates in the previous 5 years: Bonsult VOF, K-Building NV, V-Building BVBA, Poort van Berlaar BVBA, Auto's Bleys NV, Bimmoc BVBA, Beltis BVBA, F-Building NV, BC Retail BVBA, Gulden Arent BVBA, G-Building BVBA, H-Building BVBA, Xigent BVBA, Xiber BVBA, Devimmo NV, CPG CVBA, MNL-Building BV, DHNL-Building BV, Xior Group NL BV and Retail Design BVBA, Promiris Student NV and Alma Student NV

ii. **Frederik Snauwaert (Born in 1980)**

Frederik Snauwaert holds a Master's in Business Studies with a focus on financial policy and investments, having graduated from EHSAL in Brussels in 2003. In 2009, he completed the Postgraduate Real Estate Studies programme at the University of Leuven.



Frederik has been CFO of the Company since 2012. He started his career in 2003 at PwC, where he worked as a Senior Auditor until 2006. He then worked as a Group Credit/Asset Risk Officer for Fortis Lease Group Services. From 2008 to 2012, he held the position of Relationship Manager Midcorporates & Institutionals (Real Estate) at ING Belgium, after which he moved to the Company.

Current mandates: His mandate as a Company Board member is complemented by other mandates in the following companies (the vast majority of which do not require actual participation in the daily management): Aloxe NV, CaliXto BV, Anthonis Verzekeringen NV, Off Site Europe BV, Eland Group NV, Leuven Tréfonds BV, M-Building BV, Mopro Antigoon NV, Mopro Zurenborg BV, Jugho BV, Studium Invest GCV, Ramberghof BV, Leuven Building BV, Lovania Properties BV, Den Hill Diar BV, PDH Invest BV, Immo DDL NV, Nevire BV, Tyche Investments BV, Silex BV, Krijgimmo BV, Boerenkrijg Construct BV, Modesti SARL, Vere Investments SARL, Here Investments SARL, Immo Parkland BV, Stubis BV.

Past mandates in the previous 5 years: Premier Transportation BVBA, Devimmo NV, CPG CVBA Xior Group NL BV and Retail Design BVBA, Promiris Student NV and Alma Student NV.

iii. **Arne Hermans (Born in 1984)**

Arne Hermans studied law at Vrije Universiteit Brussel and then obtained a Master's degree in Marketing Management at Vlerick Business School in 2008. He took the Financial and Managerial Accounting course at Boston University Brussels in 2009 and completed the Real Estate Executive Programme at Solvay Brussels School of Economics & Management in 2012. He also obtained WSET Level 3 with distinction.



Arne had been with the Company since mid-2015. He started his career in 2008 as a solicitor at Eubelius, where he focused specifically on real estate corporate and financial law, including equity capital markets, debt capital markets, mergers, acquisitions, real estate transactions and all aspects related to Belgian REITs (former real estate investment companies with fixed capital (BEVAKs) and regulated real estate companies). Arne was closely involved in the development and implementation of the legal framework for real estate investment companies with fixed capital (BEVAKs) in 2010 and RRECs in 2014.

Arne is the co-lecturer of a three-part training course in real estate transactions ("Corporate Real Estate Transactions: legal and taxation aspects") at the University of Leuven Kulak campus and has taught several seminars on real estate investment companies with fixed capital and regulated real estate companies. He is also a guest speaker for various real estate study programmes at KUL/Kulak and other education institutions, and gives presentations on the student housing market. He has also published several legal articles on REITs and corporate law. In 2015, Arne won an Expertise Real Estate Young Potential Award with his project 'Housing the future® – Towards a further consolidation of student housing'.

Current mandates: Vinostelli BV and Minimie BV

iv. **Bastiaan Grijpink – from 1 januari 2020**

Bastiaan Grijpink obtained a Bachelor and Master of Science in Business Economics (2004), a Bachelor of Dutch Law, and a Master of Dutch Financial Law (2006), all from Erasmus University Rotterdam. He also obtained WSET Level 3 with distinction.



After several internships at ING Canada, PwC, Houthoff Buruma and J.P. Morgan, he started his career as an investment banker at J.P. Morgan in London. During his first five years there, Bastiaan focused on Mergers & Acquisitions and Client Coverage in the Benelux financial institutions sector. This was followed by a five-year period in Equity Capital Markets, where he ended up as Vice President. In this role Bastiaan worked on IPOs,

ABBs, rights issues, convertible bond issues and carve outs in Belgium, the Netherlands and Central & Eastern Europe. In 2015, he moved to the London-based investment fund Maven Investment Partners as Partner and Portfolio Manager. At Maven, Bastiaan was partly responsible for an investment portfolio with a specific focus on the European real estate and student housing sectors. He joined Xior at the beginning of 2020 with the combined responsibilities of CIO and Country Manager for Iberia. He is based in Madrid.

Summary of the Board of Directors and executive management

Executive directors	Christian Teunissen (CEO) Frederik Snauwaert (CFO)
Non-executive, independent directors	Leen Van den Neste Joost Uwents Wilfried Neven Wouter De Maeseneire
Chairperson of the Board of Directors	Leen Van den Neste
Managing Director	Christian Teunissen (CEO)
Executive management	Christian Teunissen (CEO) Frederik Snauwaert (CFO) Arne Hermans (CIO) (tot einde Q1 2019) Bastiaan Grijpink (CIO) (vanaf 1/01/2020)
Effective leaders ("effectieve leiders"/"dirigeants effectifs »)	Christian Teunissen (CEO) Frederik Snauwaert (CFO)

6.1.13 COMMITTEES OF THE BOARD OF DIRECTORS

In accordance with Article 7:99, Section 3 and Article 7:100, Section 4 of the Belgian Companies and Associations Code as a whole, in 2019 the Board of Directors performed the duties entrusted to the audit committee and remuneration committee respectively, on the understanding that, at the end of 2019, the Board of Directors established an audit committee (which met for the first time on 6 January 2020) and established a remuneration and appointment committee on 31 March 2020.

The Board of Directors may establish an executive committee (under the provisions of Article 7:104 of the Belgian Companies and Associations Code) or a management committee, consisting of several people who may (but do not need to) be directors. Under Article 7:93 of the Belgian Companies and Associations Code, the Board of Directors may establish one or more advisory committees, from among its ranks and under its responsibility, such as a strategic committee or an appointments committee. The Board of Directors determines the composition and powers of these committees, with due observance of the applicable regulations. However, the Board of Directors has explicitly opted for the monistic governance structure, given that it is best suited to the Company, its activities and the complexity of its structure.

In the course of 2018, an Investment Committee was established, consisting of Mr Joost Uwents (independent, non-executive director) and Mr Christian Teunissen (executive director and CEO). The investment committee will help facilitate the Company's further growth as an intermediary between the executive management and the Board of Directors. This will further optimise the interaction with the Board of Directors and therefore also the decision-making process in order

to respond to investment opportunities even more efficiently. The role and responsibilities, composition and functioning of the Investment Committee are described in Chapter 3.4 of the Company's Corporate Governance Charter. The Investment Committee met twelve times in 2019 (in a physical meeting or via conference call).

During the last quarter of 2019, in view of the evolution in terms of the complexity, nature and size of the Company and its activities (see also Chapter 6.1.1. of this Annual Report), the Company has set up a separate audit committee with sufficient relevant knowledge, in particular in financial matters, to be able to fulfil its role effectively and ensure optimal operation. On 16 December 2019, the Board of Directors decided that the audit committee will be composed of all independent directors of the Company, chaired by Mr Wilfried Neven. The audit committee met for the first time as a separate committee on 6 January 2020.

6.1.14 CONFLICTS OF INTEREST

6.1.14.1 General

The Company has implemented a number of procedures with a view to limiting the risk of any conflicts of interest having an adverse impact on the Company.

The statutory arrangement on conflicts of interest for directors (Article 7:96 of the Belgian Companies and Associations Code) applies, in principle, to resolutions or transactions that fall under the Board of Directors' authority if a director has a direct or indirect interest of a financial nature that is in conflict with such a resolution or transaction.

The Company must also comply with the procedure of Article 7:97 of the Belgian Companies and Associations Code if it adopts a resolution or performs a transaction that relates to: (i) relationships of the Company with an affiliated company, with the exception of its subsidiaries and (ii) relationships between one of the Company's subsidiaries and an affiliated company, with the exception of subsidiaries of that subsidiary.

The provisions of Articles 37 and 38 of the Law on Regulated Real Estate Companies also apply to the Company. Article 37 of the Law on Regulated Real Estate Companies contains an arrangement on functional conflicts of interest which entails that a public RREC must contact the FSMA whenever certain persons affiliated with the public RREC (listed in the same article, including the directors, the persons who control, are affiliated with or hold a participating interest in the RREC, the promoter and other shareholders of all subsidiaries of the public RREC) act directly or indirectly as a counterparty in, or derive any pecuniary gain from, a transaction with the public RREC or one of its subsidiaries. Transactions involving a functional conflict of interest must be notified to the FSMA and must be disclosed immediately (without prejudice to the rules on inside information). They are explained in the annual financial report and the Statutory Auditor's report. These transactions must be completed in line with the market and must follow the normal course set by the Company's business strategy. If such a transaction involves property, the appraisal by the property expert is binding as a minimum price (if the RREC is the seller) or as a maximum price (if the RREC is the purchaser). Article 38 of the Law on Regulated Real Estate Companies provides a number of exceptions where the provisions of Article 37 of the Law on Regulated Real Estate Companies do not apply.

The Company further imposes the obligation on each member of the Board of Directors and executive management that he or she must avoid the creation of any conflicts of interest as far as possible. The Company also voluntarily applies a stricter policy on conflicts of interest that relate to matters that fall within the authority of the Board of Directors or executive management.

Since the Company's directors are appointed on the basis of their competences and experience in relation to property and other contiguous areas of expertise, they may hold directorships in other real estate companies or companies that control real estate companies, or they may perform property-related activities as a natural person. It is possible that a transaction

which is submitted to the Board of Directors (such as the purchase of a building at an auction) may attract the attention of another company in which a director holds a directorship. The Company has also decided to apply a special procedure to such corporate opportunities that can sometimes lead to conflicts of interest, which is modelled to some extent on the conflicts-of-interest procedure laid down in Article 7:96 of the Belgian Companies and Associations Code.

For a detailed description of the Board of Directors' duties and functioning, please refer to *Chapter 7.1.3 of the Company's Corporate Governance Charter*.

6.1.15 SPECIFIC CONFLICTS OF INTEREST

Please find below the specific conflicts of interest that occurred in 2019 and need to be explained in the Annual Report in accordance with the Belgian Companies and Associations Code and/or the Legislation on Regulated Real Estate Companies.

6.1.15.1 Approval of the executive management's remuneration

On 15 October 2019, the Board of Directors, which also acts as the Remuneration Committee, approved the evaluation and determination of the criteria for variable pay of the executive management, which includes executive directors Christian Teunissen and Frederik Snauwaert. The rules on conflicts of interest were applied in this regard in accordance with Article 523 of the Belgian Companies Code (the current Article 7:96 of the Belgian Companies and Associations Code). The relevant extract from the minutes is included below.

1. Introduction

The Board of Directors recalls the decisions regarding the remuneration of the executive management that, acting as the Remuneration Committee, it took at its meetings on 6 July 2018, 25 October 2018 and 11 March 2019.

The Board of Directors, acting as the Remuneration Committee, is considering reviewing and, if appropriate, ratifying the decisions relating to the approval of the remuneration criteria ("KPIs") and their weighting for the purposes of the variable remuneration of the executive management (which were taken at the meetings on 25 October 2018 and 11 March 2019).

The Board of Directors has read the notification shown below by Christian Teunissen and Frederik Snauwaert on a conflict of interest of a financial nature pursuant to Article 523 of the Belgian Companies Code ("Companies Code"). Christian Teunissen and Frederik Snauwaert leave the meeting after reporting this conflict of interest.

2. The Board of Directors takes note of the statement of Christian Teunissen and Frederik Snauwaert in accordance with Article 523 of the Companies Code.

The Board of Directors takes note of the statement by Christian Teunissen and Frederik Snauwaert pursuant to Article 523 of the Companies Code concerning their interest of a financial nature that is in conflict with the intended decisions of the Board of Directors, which also acts as the Remuneration Committee (in the absence of Christian Teunissen and Frederik Snauwaert). This conflict of interest of a financial nature is reported to the directors prior to the discussion and decision-making with regard to this agenda item. The Statutory Auditor is also informed accordingly.

A copy of the above-mentioned statements is attached to these minutes as Annex [].

3. Discussion and approval of the remuneration criteria ("KPIs") and their weighting for the purposes of the variable remuneration of the executive management

The Remuneration Committee takes note of the notifications in the context of the proposed change to the discussion of the KPIs and their weighting for the purposes of the variable remuneration of the executive management. This will logically be paid for by Xior, which will therefore bear the financial consequences. This results in a conflict of interest of a financial nature between Xior and Christian Teunissen and Frederik Snauwaert. The property consequences for Xior paying for the remuneration are shown in Annex 4 to these minutes, which includes the overview of the total fixed remuneration (incl. fixed expense allowance) and the total variable remuneration of the executive management.

Mr Teunissen and Mr Snauwaert have stated in their respective statements recognised by the Remuneration Committee that the determination by the Board of Directors of these KPIs (regarding their weighting) is justified in light of general industry standards and that the determination is an appropriate market-based incentive for the CEO and CFO and therefore in the Company's interest.

The Chairman recalls that at the meeting on 6 July 2018, the Remuneration Committee already discussed the amendment and increase of the remuneration of the executive management and increased and fixed the (fixed and variable) remuneration of the executive management in accordance with Article 523 of the Companies Code. However, a decision on specific aspects of the variable remuneration (i.e. (i) the spread over time or immediate payment of an awarded variable remuneration and (ii) the criteria (KPIs) for awarding variable remuneration) was postponed to a subsequent meeting.

The Remuneration Committee subsequently discussed possible (quantitative) KPIs at the meeting on 25 October 2018, with the Board of Directors expressing a positive opinion in principle on the application of the KPIs proposed. At a meeting held on 11 March 2019, the Remuneration Committee re-examined this proposal for KPIs and determined their weighting for variable remuneration purposes, however, following an amendment.

The Remuneration Committee re-examined the proposal, approved at the meetings on 25 October 2018 and 11 March 2019, of quantitative KPIs to be used, including their weighting, for the purposes of the variable remuneration of the executive management (Annex 5) and then, after discussion, ratified this decision.

The quantitative criteria taken into account for the granting of the variable remuneration are thus the following:

- EPS
- Occupancy rate
- Expansion of the portfolio abroad
- Certain qualitative criteria (including operational and financial performance)

The weighting of the KPIs and the relevant measures used to determine the allocation of variable remuneration on the basis of the aforementioned KPIs are set out in Annex I.

For the qualitative criteria, it was determined after discussion that they need to be further substantiated, and will therefore be included again at a subsequent Remuneration Committee meeting.

6.1.15.2 Other real estate activities of the executive directors and the companies to which they are associated

In addition to their Company real estate activities, Christian Teunissen (CEO) and Frederik Snauwaert (CFO) are indirectly involved in other real estate activities (with stakes in other real estate companies and/or as members of administrative bodies). However, these activities do not require daily or active follow-up or involvement, and do therefore not prevent the CEO's and CFO's operational activities at the Company.

Furthermore, these activities do not constitute significant competitive activities in relation to the Company's student housing activities. For the sake of completeness, it is mentioned that CEO Christian Teunissen has a stake in a company holding a limited number of student housing units he has no control over, and CFO Frederik Snauwaert has a stake in another company holding a limited number of student housing units he has no control over. Both are exit scenarios and neither person has any intention of expanding these student housing activities in the future. Because of the limited scope

of these activities, they could never cause any significant competition with the Company's student housing activities.

6.1.16 STATEMENTS

The Company has no arrangements or agreements with any major shareholders, clients, suppliers or other persons electing these parties as members of administrative, management or supervisory bodies or as members of the senior management.

6.1.17 REMUNERATION – REPORT

6.1.17.1 General information – persons concerned

In compliance with Article 3:6, Section 3 of the Belgian Companies and Associations Code, Xior draws up a remuneration report on the remuneration policy and the individual remuneration of its executive and non-executive directors and the members of its executive management.

For the sake of clarity, it is specified that this report also reports on such persons who have left the Company (Mr Arne Hermans) or joined the Company in the course of the year (on the understanding that Mr Bastiaan Grijpink only took up office as CIO after the end of 2019).

This report covers the period from 1 January 2019 to 31 December 2019.

The remuneration policy has not changed significantly compared to the previous reporting period.

As a separate remuneration policy has not yet been approved for this reporting period (nor is it required by applicable law), it is not yet possible to report in this report on how remuneration fits into this policy. This will of course be the case for subsequent reporting periods. For the same reason, there are no deviations from the remuneration policy to be reported for this period.

This report was drawn up and approved by Xior's Board of Directors and the remuneration and appointment committee, on 20 April 2020.

6.1.17.2 Remuneration of the members of the Board of Directors

The Company's Board of Directors (acting as an appointment and remuneration committee) submits the amount to be paid to each of its members to the general meeting. For the purpose of determining the directors' remuneration, benchmarking with the remuneration of directors and executive management in similar listed real estate companies was also carried out in 2018. This benchmarking was carried out by independent specialist Hudson, and was used in the adjustment of the fees in the course of 2018. The Board of Directors intends to repeat this benchmarking on a regular basis (i.e. every two years), and will therefore carry out such benchmarking again in the course of 2020.

All members of the Board of Directors are covered by a D&O Insurance policy, the premium of which (EUR 27,203) is paid by Xior. The directors do not receive any other benefits (company car, pension, mobile telephone and so on).

The Company's remuneration policy distinguishes between two types of directors: executive directors and non-executive directors, whether independent or not. The directors are not awarded a variable fee (in their capacity as directors), nor any fee for specific operations or transactions of the public RREC or its subsidiaries. For the variable fee of the executive directors in their capacity as members of executive management, see Chapter Error! Reference source not found.. This fee

is therefore in accordance with Article 35 of the Law on Regulated Real Estate Companies.

No shares were granted to the members of the Board of Directors as fixed remuneration for 2019.

6.1.17.3 Executive directors

The Company's directors who are also members of the executive management receive no fixed fee, nor an attendance fee. As a member of the executive management, they receive a management fee (see *Chapter 6.1.17.5 of this Annual Report* below).

6.1.17.4 Non-executive directors

The remuneration of non-executive, independent directors takes into consideration (i) their role as a member of the Board of Directors (also acting, where applicable as an appointment, remuneration and audit committee (until April 2020, respectively the end of 2019)) and the ensuing responsibilities and time spent.

Non-executive directors receive a fixed fee of EUR 17,500 per year and an attendance fee of EUR 750 for each meeting of the Board of Directors. The amount of the attendance fee for the non-executive directors is approved by the general meeting on the recommendation of the Board of Directors and the appointment and remuneration committee. The non-executive directors also receive a fixed expense allowance of EUR 2,500 per year.

No additional payments in kind are made to the non-executive directors (independent or otherwise) during the term of their mandate. There are no conditional, variable or deferred payments.

As a member of the Investment Committee, which was established in 2018 (see *Chapter 6.1.13 of this Annual Report*), Mr Joost Uwents was awarded an additional fee of EUR 10,000 (fixed annual fee) as well as an attendance fee of EUR 750 per meeting of the Investment Committee. No additional remuneration was granted to the members of the Audit Committee as these tasks had already been carried out by the Board of Directors.

6.1.17.5 Remuneration of the members of the executive management

Members of the executive management who are also members of the Board of Directors do not receive any fee in their capacity as members of the Board of Directors. As a member of the executive management, they receive a management fee.

The payment to the members of the executive management consists of a fixed monthly or annual amount that is documented in a special agreement approved by the Company's Board of Directors (on the recommendation of the remuneration committee).

The members of the executive management each entered into a management agreement with the Company on 23 November 2015. These management agreements were last amended in 2018 to implement the increased remuneration of the executive management, as decided by the Board of Directors, also acting as the Remuneration Committee, on 6 July 2018 (see *Chapter 6.1.15.2 of this Annual Report*). These management agreements, as amended, also refer to the criteria for variable pay.

The fixed annual fee of the CEO is EUR 330,000 (subject to annual indexation) and the variable annual remuneration is set at EUR 100,000 (subject to annual indexation).

The total fixed annual fee granted to the other two members of the executive management in 2019 (the CFO and then CIO)

amounted to EUR 475,000 in total (subject to annual indexation) and the variable annual fee had been set at EUR 147,000 in total (subject to annual indexation).

The variable remuneration depends on criteria set by the Board of Directors (till April 2020: also acting as remuneration committee, as from April 2020: on the recommendation of the appointment and remuneration committee) at the beginning of each calendar year. For 2019, the following criteria ("KPIs") were used to determine the variable remuneration, in decreasing order of importance. For each of these targets, there is a "below" (where above 80% of the base amount of the variable remuneration is achieved), "base case" (where above 100% of the base amount of the variable remuneration is achieved) and an "above" (where above 120% of the base amount of the variable remuneration is achieved):

- "EPRA Earnings per Share (EPS)" accounts for 40% of the assessment.
- Occupancy rate accounts for 20%.
- Growth of the portfolio (to fair value) realised abroad (new countries) amounts to 20%.
- Qualitative and organisational KPIs (such as operational improvements, digitalisation, ESG efforts, financial optimisation, debt ratio management) account for the remaining 20%.

The Board of Directors is convinced that the above criteria are the most important performance criteria in order to serve the long-term interests of the Company, its strategy and the sustainability of the Company's activities.

Each year, the Company's Board of Directors (till April 2020: also acting as the remuneration committee, as of April 2020: on the recommendation of the remuneration committee) decides on the variable fee to which the executive management members may effectively be entitled for their activities during the previous financial year. The achievement of the financial criteria is checked based on the Company's accounting and financial data. The calculation of the possible variable pay is based on the extent to which the objectives have been achieved and serves as a guideline for the Board of Directors (till April 2020: acting as the Remuneration Committee, as of April 2020: on the recommendation of the remuneration committee) to make a final decision on the variable pay.

On 4 February 2019, with regard to the 2018 financial year and based on the following predetermined KPIs (in order of importance) with the thresholds "below" (80% of the basic amount), "base case" (100% of the basic amount) and "above" (120% of the basic amount):

- "EPRA Earnings per Share (EPS)" accounted for 30% of the assessment;
- Occupancy rate accounted for 30%;
- Annual portfolio growth (to fair value) accounted for 30%;
- Qualitative and organisational KPIs (such as operational improvements, digitalisation, ESG efforts, financial optimisation, debt ratio management) accounted for the remaining 10%;

it was decided that the KPIs had reached the "base case" level for the CIO (and thus 100% of the base amount of the variable remuneration for 2018 was achieved), and the CEO and CFO had reached the "above" level (and thus 120% of the base amount of the variable remuneration for 2018 was achieved).

There is currently no form of share-based compensation within the Company.

If a proposal is made to create a system by which the members of the executive management are paid in the form of shares, share options or any other right to acquire shares, this system must be pre-approved by the Company's shareholders. The criteria for allocating the income-based variable fee for the executive directors only relate to the public RREC's consolidated net result and exclude all fluctuations in the fair value of the assets and hedging instruments. No remuneration is paid based on a specific operation or transaction of the public RREC or its subsidiaries. This fee is therefore in accordance with Article 35 of the Law on Regulated Real Estate Companies.

No additional fees are granted to the members of the executive management. There are no conditional, other variable or deferred payments. There was no minimum threshold in terms of management share ownership for 2019.

In the context of early termination of the above management agreements with a current member of the executive

management, it was stipulated that the severance payment may not exceed the fees applicable for three months on the date of termination (fixed fee and the proportionate amount of the variable fee, based on the variable fee that was actually granted for the previous financial year), plus 1 month for each commenced year, subject to a maximum of 12 months.

No provision has been made for any right of the Company to recover a variable fee that is granted on the basis of incorrect financial data.

The agreements with the executive management have been concluded in line with market conditions. For the purpose of determining the remuneration of the executive management, there was also some limited benchmarking with similar listed real estate companies.

The Company has not concluded any other agreements with the remaining members of its management, executive and supervisory bodies.

6.1.17.6 Summary of the remuneration of the members of the Board of Directors and executive management for 2019

Board of Directors	Fixed fee	Attendance fee	Expense allowance	Total
Leen Van den Neste	EUR 17,500	EUR 5,250	EUR 2,500	EUR 25,250
Joost Uwents	EUR 27,500	EUR 8,250	EUR 2,500	EUR 38,250
Wilfried Neven	EUR 17,500	EUR 6,000	EUR 2,500	EUR 26,000
Wouter De Maeseneire	EUR 17,500	EUR 6,000	EUR 2,500	EUR 26,000
Christian Teunissen	-	-	-	-
Frederik Snauwaert	-	-	-	-
Total	EUR 80,000	EUR 25,500	EUR 10,000	EUR 115,500

Executive management	Fixed fee	Variable fee	Total
CEO	EUR 337,152	EUR 123,425	EUR 460,577
CFO & CIO ¹	EUR 320,804	EUR 98,740	EUR 419,544
Totaal	EUR 657,956	EUR 222,165	EUR 880,121

¹ For the CIO, this includes the remuneration to Mr Arne Hermans until the end of March 2019 and the remuneration already paid to Mr Bastiaan Grijpink (within the framework of a separate service provision prior to the end of March 2019).

The remuneration of the executive management is subject to annual indexation.

The evolution of remuneration over the last five years is shown in the table below:

	2016 vs 2015	2017 vs 2016	2018 vs 2017	2019 vs 2018
1. Remuneration of the non-executive Directors (total)				
Leen Van den Neste	N/A	-4%	81%	-3%
Joost Uwents	N/A	-4%	81%	45%
Wilfried Neven	N/A	-9%	85%	0%
Wouter De Maeseneire	N/A	0%	81%	0%
2. CEO (total)				
Christian Teunissen	N/A	32%	31%	2%
3. Average remuneration of other members of the executive management				
CFO & CIOs	N/A	39%	29%	34% ¹
4. Performance of the Company				
EPRA EPS	N/A	22%	2%	10%
DPS	N/A	4%	4%	4%
FV of portfolio	37%	84%	67%	46%
Market capitalisation	52%	69%	65%	85%
5. Average remuneration of the Company's employees (FTE)				
	18%	9%	21%	-3%

¹ For the CIO, this includes the remunerations to Mr. Arne Hermans until the end of March 2019 and the remunerations already paid to Mr Bastiaan Grijpink (within the framework of a separate service provision prior to this).

6.1.17.7 Share options

The Company has not entered into any share options plans, share purchase plans or employee participation agreements under which members of the management, executive or supervisory bodies and the senior management could acquire shares in the Company.

6.2

INFORMATION PURSUANT TO ARTICLE 34 OF THE ROYAL DECREE OF 14 NOVEMBER 2007

6.2.1 CAPITAL STRUCTURE

On 31 December 2019, the Company's capital was EUR 344,396,322 divided into 19,133,129 non-par-value shares, each representing 1/19,133,129th of the share of the capital.

There are no preference shares. Each of these shares confers the right to one vote in the General Meeting. The existing shareholders have a pre-emptive right in case of a capital increase in the Company (see also *Chapter 9.9.17 of this Annual Report*).

No special rights of inspection have been granted to certain categories of shareholders.

There is no restriction on voting rights by law or under the Articles of Association. Xior's Articles of Association contain no provisions that restrict the free transferability of the shares. In the context of the public capital increase of October 2019 (SPO), the Company's main shareholder Aloxe NV has entered into lock-up obligations, by which it has undertaken not to sell the shares in the Company it held on the date of completion of the offer for a fixed period. A number of normal exceptions were provided in relation to the above lock-up arrangements. These lock-up obligations have now ended.

The Company is not aware of the existence of any shareholders' agreement between the existing shareholders in relation to the Company.

6.2.2 DECISION-MAKING BODIES

The rules that apply to the appointment or replacement of members of the Board of Directors and to the amendment of Xior's Articles of Association, are those included in the applicable legislation – specifically the Belgian Companies and Associations Code and Legislation on Regulated Real Estate Companies – and in the Company's Articles of Association (see also *Chapter 6.1.4 of this Annual Report*, as well as the Articles of Association that are included under *Chapter 12.4 of this Annual Report*).

6.2.3 AUTHORISED CAPITAL

At the Extraordinary General Meeting of 6 November 2019, the Board of Directors was authorised to increase the share capital in one or more instalments (see also *Chapter 10.9.17 of this Annual Report* and Article 7 of the Articles of Association that are included in *Chapter 12 of this Annual Report*).

On 31 December 2019, the Board Of Directors had not yet used the (renewed) mandate it was granted to increase the capital.

6.2.4 PURCHASE OF SHARES

The Company may acquire its own shares or accept them in pledge in accordance with the conditions laid down in the Belgian Companies and Associations Code (see Article 7:215, Section 1, 1-4 of the Belgian Companies and Associations Code). Pursuant to the resolution adopted in the general meeting of shareholders on 23 November 2015, the Board of Directors is permitted to acquire shares under the conditions set out in the Articles of Association (see Article 10 of the Articles of Association that are included under *Chapter 12.4 of this Annual Report*). This authorisation is granted for a five-year period, as from 23 November 2015.

Article 10 of the Company's Articles of Association also permit the Board of Directors to acquire and dispose of its own shares if the acquisition or disposal is necessary to avoid impending serious harm to the Company, subject to the conditions included in Articles 7:215 et seq. of the Belgian Companies and Associations Code. The general meeting of the Company granted this authorisation on 23 November 2015 for a three-year period, as from the date of publication of this authorisation in the Schedules to the Belgian Official Journal, and has therefore now lapsed.

The Company does not hold any of its own shares.

6.2.5 CONTRACTUAL PROVISIONS

The conditions under which financial institutions have granted financing to Xior require that it must retain its status as a public regulated real estate company. The general terms and conditions under which this financing is granted contain an early repayment clause to be implemented at the banking institutions' discretion if there is a change of control.





07

The Xior share

7.1

THE SHARE ON EURONEXT BRUSSEL

The Xior share (ISIN code BE0974288202) has been listed on the regulated Euronext Brussels market since 11 December 2015. The Xior share moved from the BEL Small to the BEL Mid index of Euronext Brussels in 2017 and was also included in the EPRA Index that year. Xior is the first fully dedicated student housing REIT in continental Europe that has been included in the index.




The closing price on the last trading day of 2019 (31 December 2019) was EUR 50.50, which represents a premium of 54% compared with the net asset value per share on 31 December 2019 (see Royal Decree on Regulated Real Estate Companies), which was EUR 32.71²⁴ per share. Xior's market capitalisation on Euronext Brussels rose to approximately EUR 966 million in 2019.

Graph of Price evolution vs. intrinsic value



The share price of the Xior share at the end of the fourth year as a listed company was EUR 50.50. The share increased significantly from EUR 38 at the end of 2018 to EUR 50.50 at the end of 2019. This reaffirms confidence in the niche market of student real estate and in Xior. Furthermore, the Xior shares continued to enjoy increased visibility and liquidity among investors, partly buoyed by exceeding the threshold of EUR 500 million in terms of market capitalisation since 2018. The average daily volume based on the number of outstanding shares at year-end stood at 14,307 shares. The share turnover


– the number of shares traded per year divided by the total number of shares available at the end of the year – stood at 23.87%.

Data per share	31/12/2019	31/12/2018	31/12/2017
Number of issued shares ¹	19,133,129	13,768,815	8,128,249
Weighted average number of shares ²	14,996,135	11,109,319	6,851,483
Market capitalisation (in EUR)	966,223,014	523,214,970	316,920,429
Free float ³	74.43%	71.22%	75.01%
Share price (closing price) for relevant period (in EUR)			
Highest	53.30	41.00	41.40
Lowest	38	33.20	35.13
Average	45.60	37.71	37.49
At year-end closing	50.50	38.00	38.99
Volume (in number of shares)			
Number of shares traded	3,579,057	2,589,031	1,297,992
Average daily volume	14,307	10,193	5,090
Share turnover	23.87%	18.80%	15.97%
NAV (IFRS) (in euro)	32.71	29.78	27.47
EPRA NAV  (in euro) ⁴	35.96	31.45	28.44
Dividend payout ratio	81.25%	85.6%	84%
EPRA earnings  per share ³ (in euro)	1.61	1.46	1.43
EPRA earnings  per share ³ (in euro) - group share	1.60	1.46	1.46
Gross dividend per share (in EUR) ⁵	1.30	1.25	1.20
Net dividend ⁶ per share (in EUR) ⁵	0.91	0.875	0.84
Gross dividend yield ⁷	2.57%	3.40%	3.18%
Net dividend yield ⁸	1.80%	2.38%	2.23%

¹ The data are displayed as they are made available on the website of Euronext Brussels, without any adjustments for corporate events such as capital increases and coupon detachments.

² In relation to the relative dividend entitlement.

³ Approximate estimate taking into account the known percentages of shareholders who issued a transparency notification (based on the current total number of shares (denominator)).

⁴ Based on the total number of outstanding shares. - For APM definitions, use and reconciliation tables, please refer to Chapter 10.8 of this Annual Report. All APMs are marked with .

⁵ Calculated on the basis of the weighted average number of shares.

⁶ Taking into account 30% withholding tax.

⁷ Calculated as gross dividend divided by (closing price – gross dividend).

⁸ Calculated as (gross dividend – 30% withholding tax) divided by (closing price – gross dividend).

As in previous years, Xior will continue to try to participate in roadshows and events for both institutional and private investors, so as to consistently provide transparent information to investors and broaden and strengthen its investor base.



Market: Euronext Brussels
 Symbol: XIOR
 ISIN code: BE0974288202
 Listing: continuous
 Index: BEL Mid & EPRA Index
 Liquidity provider: Degroof Petercam

7.2 SHAREHOLDERSHIP

For a summary of Xior's shareholding structure, please refer to *Chapter 6.1.3 of this Annual Report*.

7.3 COUPON INFORMATION

N°	Type	Dividend period	Gross dividend value	Reason for the detachment	Ex date	Record date	Payment date
1	Dividend	01/01/16 – 10/09/16	EUR 0.892	Contribution in kind	12/10/17	13/10/17	19/05/17
2	Dividend	11/09/16 – 31/12/16	EUR 0.258	Contribution in kind	18/01/17	19/01/17	19/05/17
3	OTR ¹ (SPO 2017)	N/A	N/A	SPO 2017	08/06/17	09/06/17	N/A
4	Dividend	01/01/17 – 21/06/17	EUR 0.565	SPO 2017	08/06/17	09/06/17	22/05/18
5	Dividend	22/06/17 – 31/12/17	EUR 0.635	Contribution in kind	29/03/18	03/04/18	22/05/18

6	OTR ¹ (SPO 2018)	N/A	N/A	SPO 2018	31/05/18	01/06/18	N/A
7	Dividend	01/01/18 – 11/06/18	EUR 0.555	SPO 2018	31/05/18	01/06/18	04/06/19
8	Dividend	12/06/18 – 04/12/18	EUR 0.603	Contribution in kind	06/12/18	07/12/18	04/06/19
9	Dividend	05/12/18 – 31/12/18	EUR 0.092	--	17/05/19	20/05/19	04/06/19
10	Dividend	01/01/19 – 12/06/19	EUR 0.581 ²	Contribution in kind	14/06/19	17/06/19	27/05/20
11	OTR ¹ (SPO 2019)	N/A	N/A	SPO 2019	17/10/19	18/10/19	N/A
12	Dividend	13/06/19 – 28/10/19	EUR 0.492 ²	SPO 2019	17/10/19	18/10/19	27/05/20
13	Dividend	29/10/19 – 31/12/19	EUR 0.227 ²		25/05/20	26/05/20	27/05/20

¹ Preferential and irreducible allocation right.

² For the value of the dividends, relating to the current financial year, still to be distributed and paid, this is an estimate subject to approval by the Annual General Meeting; please refer to the relevant published financial information.

7.4 2020 FINANCIAL CALENDAR

The financial calendar for 2020 is shown below. In contrast to previous years, the financial publications will in future be made in the evening (following the close of markets) rather than on the morning after (before the markets open).

Date	Item
8 May 2020	Registration date of Annual Meeting participation
29 April 2020	Announcement of the results for the first quarter of 2020
18 May 2020	Deadline for confirming participation in the Annual Meeting (bank certificate/mandate)
22 May 2020	Annual Meeting of shareholders
25 May 2020	Ex date coupon no. 13

26 May 2020	Record date coupon no. 13
27 May 2020	Payment date for dividend 2019 (coupon nos. 10, 12 and 13)
5 August 2020	Announcement of half-yearly results for 2020 and publication of the 2020 Half-Yearly Financial Report
23 October 2020	Announcement of the results for the third quarter of 2020

Dates are subject to change. For possible changes, please refer to the financial agenda on the website www.xior.be.

7.5 DIVIDEND POLICY

Under the Legislation on Regulated Real Estate Companies, in its capacity as a public RREC, the Company must pay out a minimum amount as remuneration of capital each year. At least 80% of the adjusted net result (pursuant to Article 13 of the Royal Decree on Regulated Real Estate Companies) minus the net reduction in the Company's debt in the course of the financial year must be paid as remuneration of capital.

This distribution obligation is subject to two restrictions. Firstly, it must not lead to the payment of an amount that may not be distributed in accordance pursuant to Article 7:212 of the Companies and Associations Code and secondly, such distribution is not possible if, following the distribution, the Debt Ratio (standalone and consolidated) would exceed the limit of 65% of the standalone or consolidated assets.


The Company proposes a gross dividend of EUR 1.30 per share for the financial year of 2019, subject to approval at the Company's general meeting. Pursuant to Articles 171(3) to 269 of the Belgian Income Tax Code, the withholding tax on dividends paid by a public RREC like Xior has generally been 30% since 1 January 2017 (see Articles 171(3) to 269, Section 1(1) of the Belgian Income Tax Code).

Subject to the availability of distributable reserves and the approval of the Annual General Meeting, the Company intends to increase the dividend over the next 3 years.


7.6

OUTLOOK – PROFIT FORECAST

7.6.1 GENERAL

The outlook below includes the forecast for the financial year of 2020 with regard to the consolidated EPRA earnings  and consolidated balance sheet of Xior Student Housing NV.

This forecast was based on the information available on 31 December 2019 and takes into account post balance sheet events if these exist²⁵. In Chapter 5.5 Post balance sheet events, more information is given on the crisis related to Covid-19. This forecast has been prepared and drawn up on a basis that is comparable with the historical financial information and in accordance with Xior's valuation rules.

The actual development of the forecast of the consolidated EPRA earnings  depends on the evolution of the economy, financial markets and property markets. Xior's prospective information, projections, convictions, opinions and estimates regarding the expected future performance of Xior and the market in which it operates are not a Company commitment. By nature, prospective statements involve inherent risks, uncertainties and assumptions, both general and specific, and there is a risk that the prospective statements will not be achieved. These forecast, are given the current circumstances around Covid-19, more uncertain than usual.

The main economic trends that can affect the Company's forecast are:

- The evolution of the property markets in Belgium, the Netherlands, Spain and Portugal, particularly the student housing markets.
- Future demand for student rooms, which is affected by factors such as the number of 18-to-25-year-olds, the number of higher education enrolments, even better access to higher education for all, the quality of education, the number of foreign students, the enrolment fee and students' decisions to live at home or in student accommodation. This evolution may have an impact on the rental income or the valuation of the portfolio as determined by the property expert.
- The regional legislation imposing a number of health, safety and living standards.
- The evolution of interest rates and bank margins.

7.6.2 HYPOTHESES

Used accounting methods

The accounting basis used for this forecast is consistent with the accounting methods used by Xior in preparation of its consolidated accounts on 31 December 2019 in accordance with the IFRS as implemented by the European Union and the Royal Decree on Regulated Real Estate Companies.

²⁵ See also Chapter 5.5 of this Annual Report.

Hypotheses with regard to elements that cannot be impacted by Xior directly

- The calculation of the evolution of rental income did not take into account inflation.
- The property tax was based on historic figures (if available) or management estimates using similar buildings. The property tax may be affected by changes in the legislation. Property tax on retail spaces is fully charged to the tenant, unlike property tax on student housing, which cannot be charged to the tenants and is fully charged to the RREC's result.
- The listing expenses (such as the "subscription tax", the fee for Euronext Brussels NV and FSMA expenses) are estimated based on the going market rates, which the RREC does not control.
- Although the profit forecast already includes a certain amount covering expected building maintenance and renovation expenses, there is a chance that unexpected maintenance and renovation expenses are required.
- The net rental income may be affected if a significant number of tenants fail to pay their rent or if the planned occupancy level is not achieved.
- Financial hedging instruments (IRSs) are valued at market value in accordance with IFRS (IAS 39). Given the volatility of the international financial markets, changes in these market values were not taken into account. These changes are also irrelevant to the forecast in terms of the EPRA earnings*, on which dividend payments are based.
- The investment property is valued at the Fair Value in accordance with IFRS (IAS 40). However, no predictions are made in terms of any changes in the fair value of the real estate property, as these would be unreliable and subject to a number of external factors beyond the Company's control. These changes are also irrelevant to the forecast in terms of the EPRA-earnings*, on which the dividend payments are based.
- The forecast can also be affected by market, operational, financial and regulatory risks as described in *Chapter 1 of this Annual Report*.

Hypotheses with regard to elements that can be impacted by Xior directly

Net rental result:

- This result was estimated based on the current contracts. For new buildings, an estimate of the expected rental income was made based on market knowledge.
- If the Company received a rental guarantee upon acquisition of the property, it was included in the calculation of the result.
- An estimate was made in the budget for doubtful debts; this is a percentage of the rental income and was determined on the basis of historical information.

Other operating income and expenses:

- This entry contains income from property management for third parties.

Property charges:

- These costs mainly include the costs of maintenance and repairs, insurances, property taxes which are not charged on to students, direct student-focused publicity, vacancy costs in the case of structural vacancy, property management and the costs of valuation experts. For 2020, they were estimated based on the current portfolio and the expected investments.

Overheads:

- Overheads include the Company's internal operating expenses, which are management fees, director fees, costs of the administrative personnel, liability insurance expenses, office expenses, depreciation and installation costs. They also include contractual rent owed to the registered office in Antwerp.
- They also include the estimated expenses for external consultants, solicitors, tax experts, accounting and IT and the Statutory Auditor's fee.
- For a listed company, the overheads also include the annual taxes for the RREC, fees owed to the financial agent and liquidity provider, Euronext listing fees, expenses with regard to the prudential monitoring of RRECs and the budget for financial communication. Only the costs of financial communications can be influenced by the Company.

Interest charges:

- The estimate of the interest charges is based on the evolution of the financial debt starting from the current situation on 31 December 2019 and an estimate of the additional debt to finance the investment programme implemented in 2020. The interest charges are budgeted per contract based on the financing agreements concluded.

Taxes:

- The taxes include the annual corporation tax. The tax base in Belgium is almost zero thanks to the fiscal transparency enjoyed by the Company. The payable company tax mainly relates to tax on income from the Dutch permanent establishment, the Dutch subsidiaries and the Spanish subsidiaries.

7.6.3 FORECAST OF THE CONSOLIDATED RESULTS AND DIVIDEND EXPECTATIONS

For the 2020 financial year, the Company is anticipating EPRA earnings per share of EUR 1.70, an increase of 6.25% compared to 2019. It is also applying a target of EUR 1.36 for the gross dividend per share with a minimum payout of 80% (an increase of 4.6% compared to 2019). This profit forecast takes into account a conservatively estimated gross rate of return on an as yet unidentified/uncommitted acquisition of EUR 115 million, that contributes to the result as of 1/8/2020. We assume that the uncertainty in the market will continue for a while, but then interesting investment opportunities will arise for Xior this year. This means that Xior is once again expecting a good increase in its earnings per share compared to the prior year, despite the fact that the number of shares increased by 39% during 2019 following the successful capital increase in October 2019, and the contribution in kind in June. This capital increase is one of the reasons why Xior managed to achieve a strong project development pipeline, which will start to contribute fully to the return and the intended further growth of the portfolio, EPRA earnings and dividend in the course of 2020 and 2021. After full development of the portfolio, an annualised rent of EUR 88.75 million is forecast.

Xior expects to expand its portfolio to EUR 2 billion by the end of 2022, with EPS growth of at least 6% per year.

Xior expects the debt ratio to be around 55% as a result of the further implementation of this growth strategy by the end of 2022.

7.6.4 STATUTORY AUDITOR'S REPORT ON THE PROFIT FORECAST

Statutory auditor's assurance report on the analysis of prospective financial information in view of the inclusion of such information in the registration document.

At your request and pursuant to Section 11 of Annex 1 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129, we have prepared this report on the forward-looking financial information of the company Xior Student Housing NV ("the Company"), which is included in Chapter 7.6 of its Annual Financial Report 2019 of the group (the "Annual Financial Report 2019") (hereinafter "the Registration Document").

Responsibilities of the Board of Directors

In accordance with Section 11 of Annex 1 of the Commission Delegated Regulation (EU) 2019/980, the Board of Directors is responsible for the preparation of the prospective financial information and the determination of estimates and relevant assumptions on which this prospective financial information is based. The aforementioned forward-looking financial information as well as the stipulations and assumptions were included in Chapter 7.6 of the Registration Document (the 'Criteria').

Responsibilities of the statutory auditor

The statutory auditor is responsible for the expression of an opinion on whether the prospective financial information prepared by the Board of Directors, has been prepared in all material respects, on the basis of appropriate criteria identified.

For the projection on the financial year ending 31 December 2020, we investigated the forward-looking financial information of the Company, as well as estimates and relevant underlying assumptions, as included in the Registration Document, on which this prospective financial information is based.

We conducted our engagement in accordance with the 'International Standard on Assurance Engagements, as applicable in the analysis of prospective financial

information' (ISAE 3400). The purpose of such an engagement is to obtain a limited degree of certainty that the assurance risk is reduced to an acceptable level to serve as a basis for a conclusion, expressed in the negative form, on the prospective financial information, and more specifically on whether anything has come to our attention which leads us to believe that the prospective financial information has not been compiled in accordance with the appropriate Criteria as set out in chapter 7.6 of the Registration Document.

As for the forward-looking information, we have performed our work in order to obtain sufficient appropriate evidence to determine whether the assumptions are not unreasonable, using appropriate accounting principles.

Conclusion

On the basis of our investigation, nothing has come to our attention that would lead us to believe that the estimates and underlying assumptions are no reasonable basis for the preparation of the prospective financial information.

Furthermore, we believe that the prospective financial information is prepared adequately, on the basis of relevant estimates and underlying assumptions, in accordance with Section 11 of Annex 1 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 and using appropriate accounting principles.

Since reality will most likely differ from predictions, and since the projections and underlying assumptions relate to the future, we cannot give an explanation as to whether the actual results to be reported will correspond to those stated in the projections. Following the outbreak of the coronavirus crisis, these projections are even more uncertain than usual in the current circumstances. Any

deviations may be material.

Due to the fact that the activities described above are neither an audit nor a review in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not provide any assurance on the forward-looking financial information. If we would have performed additional work, other matters might have come to our attention, which we would have brought to your attention.

This report was prepared and added to the Registration Document pursuant to and in accordance with Section 11 of Annex 1 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 and

may not be used for any other purpose. The report should necessarily be read in conjunction with the Registration Document.

Sint-Stevens-Woluwe, 20 April 2020

PwC Bedrijfsrevisoren BV
The Statutory Auditor of Xior Student Housing NV
Represented by

Damien Walgrave
Statutory auditor





08

Property report

8.1

PROPERTY MARKET

The Company mainly holds properties intended for student housing in Belgium, the Netherlands, Spain and Portugal.

The following paragraphs describe the general state of affairs in the underlying Belgian and Dutch, Spanish and Portuguese student housing property markets based on information the Company obtained from Cushman & Wakefield (Gustav Mahlerlaan 362-364, 1082 ME, Amsterdam, The Netherlands). Cushman & Wakefield has agreed that this information will be included in the Annual Report. Prospective investors wishing to have more information on the current situation and evolution of the Belgian, Dutch, Spanish and Portuguese property markets should seek advice from real estate consultants and other specialists.

This is the description of the market as of 31 December 2019, before any Covid-19 impact.

STUDENT HOUSING MARKET IN BELGIUM

General

An insufficient amount of data has been published regarding the student population in Belgium. This population has been growing for a few years now. As is the case in the Netherlands, it is believed that this increase is due to international students being drawn to the country. In Flanders, the number of students (for job-related qualifications and academic programmes) amounted to 240,000, while for French-speaking Belgium (Brussels and Wallonia), the figure hovered at around 190,000, for a total population of approximately 430,000. Of these, around 60,000 are international students. Demographic developments mean that a slight decrease in the national student population is anticipated in the future.

The most significant student cities in Belgium are Brussels, Antwerp, Leuven, Hasselt, Mechelen, Ghent, Liège, Mons, Namur and Louvain-la-Neuve. There are around 135,000 rooms in Belgium. In general, the supply/demand ratio is balanced.

Rental prices

In Belgium, there is a slight surplus of student housing, though there are some differences at local level. In Hasselt and Brussels, for example, demand is greater than supply. The slight surplus means that rental prices are relatively stable. Rental prices vary between EUR 350 and EUR 500 depending on the type of residence (shared facilities vs studio). An apartment costs around EUR 700 per month. The Flemish Housing Rental Decree for Tenancy Agreements entered into force on 1 January 2019. This means that tenants receive more protection, in part thanks to the following regulations: all costs and expenses must be included in the rental price; the deposit may not be greater than two months' rent; the rental price may only be indexed by one tenant subsequent to the current one; and subletting is permitted.

Market dynamics

The market for investing in student housing in Belgium is limited and is chiefly in the hands of specific investors. As a result, the market is primarily characterised by small-scale transactions. In the past five years, only a handful of major transactions exceeding EUR 5,000,000 have taken place, with Xior as the main party in these transactions.

As in many European countries, the institutional market for student housing and purpose-built student accommodation (PBSA) is largely underdeveloped. However, this market is becoming increasingly professional, with parties such as Xior and Quares growing rapidly. A trend that has emerged in the last few years is that of luxury student complexes. These complexes frequently consist of a large number of studios and/or apartments finished to a high standard. The units are

often rented with movable goods and, in some cases, furniture included. In many cases, the complexes are home to shared facilities such as laundry rooms, bicycle storage, and study, sports and recreational areas. In other words, the community aspect plays a major role at these complexes. This type of concept is especially suitable for international students who wish to rent accommodation for a shorter period and who therefore do not want to have to organise furniture or an internet connection themselves, for example.

Conclusion

The market for student housing in Belgium is continuing to show slight growth. When demographics are taken into account, it is predicted that the student population will grow primarily due to an influx of international students over the next few years. The major parties will therefore respond by offering full-service concepts.

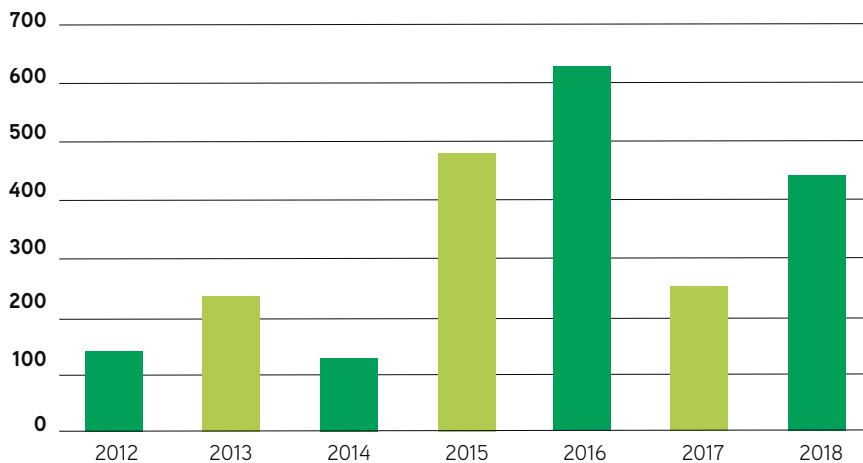
STUDENT HOUSING MARKET IN THE NETHERLANDS

INVESTMENT MARKET

In 2018, approximately EUR 5.2 billion was invested in student housing within Europe, which represents a reduction compared to the previous year. This can be explained by the scarcity of significant portfolio deals in 2018 and by the fact that much of the growth involved the development of land positions with no recorded transaction price.

The investment volume in the Netherlands for student housing has seen significant fluctuations in recent years. In 2016, the total investment volume came to around EUR 630 million. 2017 saw a stark drop due to a lack of investment products, while the investment volume in 2018 amounted to EUR 440 million.

Dutch real estate investment market PBSA



Investment volume in student housing (in million EUR)

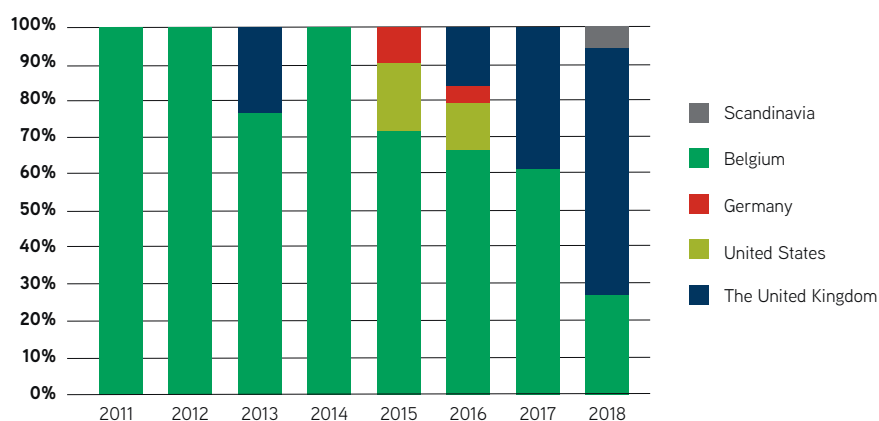
Source: Cushman & Wakefield, 2019

It should be noted that the available data is not always transparent; however, it does provide a reasonable indication of the total investment volume per year. 2015 and 2016 stand out due to the high volumes of transactions. Sales in 2015 included Campus Diemen Zuid to Greystar, Campus Yours Leiden to Syntrus Achmea and Rotterdam Student Apartments to Woonstad Rotterdam. In 2016, The Student Hotel purchased locations in Amsterdam West and Rotterdam, among others, while Greystar purchased the Bright complex in Rotterdam.

The student housing market has traditionally been dominated by social housing corporations such as DUWO, SSH, De Key

and Stichting Bo-Ex. These social housing corporations continue to control a large share of the total supply. Since 2013, however, the focus has been shifting, with more international investors entering the market. As of 2018, foreign investors actually exceed the Dutch ones. International investors are having a significant impact on the Dutch student housing market, and come from Belgium, Germany, the United States and the United Kingdom. Parties who are currently very active include XIOR Student Housing, International Campus, Greystar, Camelot and The Student Hotel. Institutional investors such as Syntrus Achmea and Bouwinvest also operate in this market.

Dutch real estate investment market PSBA



Investment volume percentage by buyer's country of origin

Source: Cushman & Wakefield, 2019

One of the most active players on the Dutch market is currently XIOR Student Housing. In 2018, XIOR purchased complexes in locations such as Amsterdam, Utrecht, Maastricht and Enschede. The largest transaction took place in Maastricht, with Xior Student Housing purchasing a complex consisting of 723 non-self-contained student units from All-In Real Estate. This purchase was completed through the acquisition of 100% of the shares of the real estate company involved. Using long-term leases, these units are made available to Maastricht University and Stichting Studenten Huisvesting, who rent them to the students in their turn.

Largest investments in 2018

Location	Complex	Number of units	Buyer	Quarter/year	Price (in million EUR.)
Maastricht	Annadal-site	723	XIOR	Q4 2018	62,6
Amsterdam	Karspeldreef	320	XIOR	Q3 2018	57,5
Amsterdam	Naritaweg	247	XIOR	Q2 2018	47
Utrecht	Rotsoord	206	XIOR	Q3 2018	37,5
Maastricht	Tongerseweg	257	XIOR	Q2 2018	34
Enschede	Ariënsplein	271	XIOR	Q1 2018	28

Source: Cushman & Wakefield, 2019

Housing concepts

The Dutch student housing market features several different concepts. These concepts can be divided into student housing, (large-scale) student complexes or campuses and student hotels. In student housing, some areas are generally shared,

such as communal living rooms, kitchens and bathrooms. Such student housing is often the property of individual investors or housing corporations.

Student complexes or campuses often provide both non-self-contained and self-contained units. These complexes have strong ties with a specific college or university, and once students have completed their studies, they leave the complex to make way for the next batch. Such complexes are usually managed by housing corporations, institutional investors or foreign commercial investors. However, a relatively new phenomenon is student complexes or campuses that are built in modular form. Examples include Ravel Residence in the Zuidas district and the Laan van Spartaan complex, both in Amsterdam. Such complexes have the advantage that the construction time is significantly shorter. Another rather new concept in the Netherlands is the student hotel. Student hotels offer furnished rooms and also offer various amenities within the complex, such as a launderette or bicycle hire service. The concept is particularly attractive to international students who are studying in the Netherlands for a short period. Students pay an all-in price including utilities, which can reach up to EUR 1,000 a month. When setting the rent, investors in this concept are not bound by the usual system for assessing properties' rental value, as the concept is considered a hotel. The Student Hotel is very active in this segment in the Netherlands.

New developments

There is still a major shortage of student units in cities such as Amsterdam, Utrecht, Rotterdam and Groningen. However, many new complexes have been completed in recent years, and many more are in the pipeline for 2021/2022. In Amsterdam, Holendrecht Campus is currently under development and Campus Diemen Zuid is being expanded. In Rotterdam, Greystar is building a complex on Blaak which consists of 612 units and is a mixture of accommodation aimed at students and young professionals. It should be completed in 2020. In Utrecht, the largest developments are in Overvecht and on Archimedeslaan. IC Netherlands is responsible for the development of the Op Dreef complex, comprising 629 student units and situated close to the Overvecht shopping centre. Meanwhile, Aprisco is developing approx. 1,600 units for students and young professionals on Archimedeslaan. This project is expected to be delivered in 2021.

Yield trends

Recent years have seen a decline in yields. Student complex developments increasingly include self-contained units or feature units for both students and young professionals. Thanks to these developments, it is expected that the returns will approach yields for conventional housing complexes more and more closely. For student complexes located close to public transport, educational institutions and amenities, the gross initial yields currently lie between 5.25% and 5.75%.

Outlook

- More international investors are expected to enter the student housing market. Furthermore, international investors already active in the Netherlands are looking for opportunities to expand their portfolios.
- The investment volume from Dutch investors will also rise, provided these understand the specific nature of the student housing market.
- New-build complexes are increasingly delivered with a mixture of student units and units aimed at young professionals.
- In the future, student complexes will make more use of modular construction systems in order to cut down on construction time and increase flexibility.
- Yields for student complexes may continue to drop. The market for purpose-built student accommodation (PBSA) and conventional housing complexes seem to be moving closer to one another.

TARGET MARKET

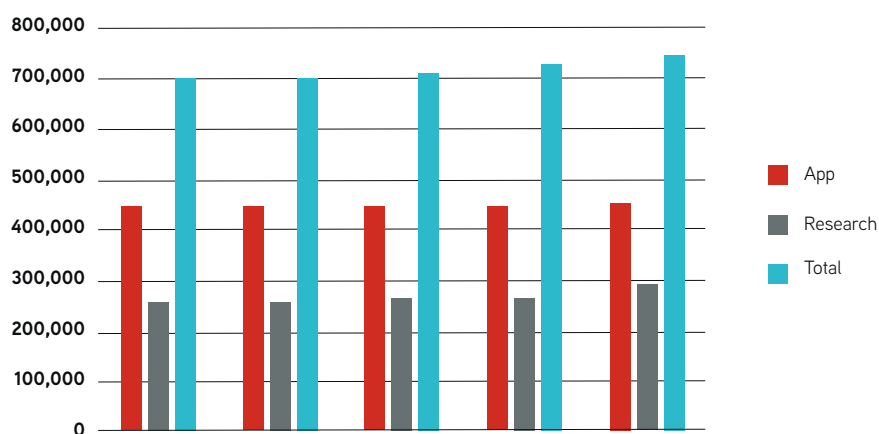
Student population

On 1 October 2018, there were 748,000 students (full-time, part-time or work-study) enrolled at higher education institutions. The total number of full-time students stood at 683,000 on 1 October 2018. Amsterdam has the most students, followed by Rotterdam and Utrecht. Over the last eight years, the number of students has increased by approximately 21%. This growth is expected to slow, with the number of students rising by around 3% over the next eight years. Enrolment at universities of applied sciences will fall and this growth will be entirely due to the research universities.

Numbers of students are expected to increase in the next eight years for all university cities, with Wageningen and Delft (26% and 21% respectively) seeing the most growth. Of the 21 cities with only a university of applied sciences, 17 are expected to see a drop in the number of students. The student population as a whole is expected to fall after 2025 due to a decline in population.

Student population trend

Student enrolment for '14-'15 to '18-'19 academic years (full-time, part-time and work-study)



Source: DUO, 2018

More than 93,000 members of the current student population are not Dutch nationals. The vast majority of these students are enrolled at a research university. The Dutch education system has, for many years, focused on internationalisation – and due to the many courses offered in English, the high quality and low cost compared to other European countries, Dutch universities are very popular abroad. The number of international students at universities has tripled in the last decade, and this growth is expected to continue in the coming years. However, there are increasing calls to stem the flow of foreign students, through the introduction of a quota, for example.

Accommodation

Of the current student population in the Netherlands, more than half (52%) no longer live with their parents. Of these 350,000 students living away from home, 245,000 reside in the city in which they are studying. The majority of this group (54%) live in student rooms with shared facilities, 19% are in studios and 27% in apartments. One measure that has impacted students' housing behaviour is the introduction of the loan system. On 1 September 2015, the basic grant for students was converted to a loan, which had a negative effect on students' disposable income. As a result, in 2016 the numbers of first, second and third-year Bachelor's students living away from home dropped.

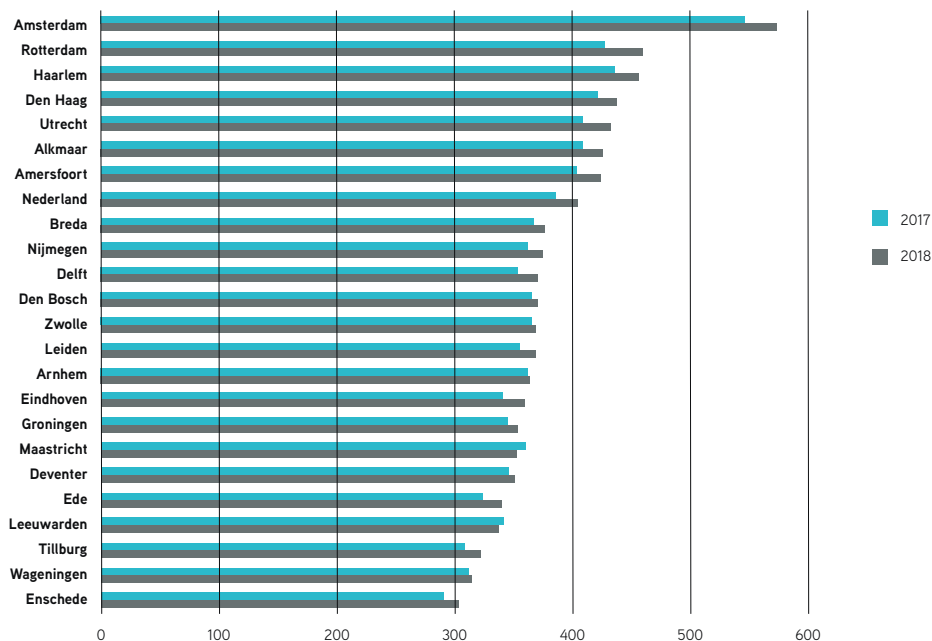
Rental prices

Rental prices for student housing have increased dramatically in recent years. Research carried out by online rental platform Kamernet shows that rental prices in the first half of 2018 were 4.7% higher than in 2017 on average. In 2018, the average rent in the Netherlands including utilities was EUR 403 per month. Amsterdam was the most expensive university city by far, with students paying EUR 571 (including utilities) for accommodation. The university cities of Rotterdam and Utrecht came in second and third place respectively, with rental prices of EUR 458 and EUR 426. The cheapest cities for students to live were Enschede, Wageningen and Tilburg, with rental prices of EUR 302, EUR 313 and EUR 321 per month. In terms of percentage increase, Rotterdam, Utrecht and Eindhoven saw the most significant changes, with Rotterdam rising by more than 7% and Utrecht and Eindhoven by over 5%. In recent years, the evolution of the average rental price

without utilities has stayed in line with the evolution of points-based rental prices. Given the shortage of student housing, this rise in rental prices is expected to continue in the coming years.

The Dutch Student Union (LSVb) compared rental prices for student housing with points-based rentals. Their research showed that approximately 70% of respondents were paying a rental price that exceeded the maximum reasonable rent. The average rental price in this study was EUR 55 per month higher than the points-based price. The difference between the legally reasonable rent and actual rental price was largest in Amsterdam, where students paid EUR 140 too much on average. Of all the student cities surveyed, only in Enschede did the average rental price stay under the points-based price.

Average rental price per city*



*Data based on occupied rooms from January to July 2018 with a surface area up to and including 35m² and with a rental price of up to and including EUR 750 per month (including utilities).

Housing needs

Students prefer self-contained accommodation located in the city centre or on the university campus, but this is not feasible for every student, of course. Housing costs are the primary factor when it comes to choosing where to live. Students are also prepared to shell out more to rent a studio or apartment instead of a student room. In many cities, there is a mismatch between housing supply and demand in terms of the quality. In large student cities such as Amsterdam, Delft, Nijmegen, Groningen and Maastricht, there is a need for self-contained accommodation, while the supply in these cities mainly consists of rooms with shared facilities. In addition to the quality mismatch, there is also a quantity mismatch, with the demand for student accommodation in larger cities in particular far exceeding the supply. This topic received extensive media coverage at the start of the 2018/2019 academic year. Estimates put the total student housing shortage in the Netherlands at approximately 45,000. This can be further divided into shortfalls of around 1,500 student rooms, around 20,000 studios and around 25,000 apartments. The situation is most pressing in Amsterdam, where there is an urgent need for more than 10,000 additional student residences in the short term, including at least 7,000 self-contained units. Other student cities such as Rotterdam, Utrecht, Groningen and Delft are also battling a significant lack of housing.

Operators

A trend that has emerged in the last few years is that of luxury student complexes. These complexes often consist of a large number of studios and/or apartments finished to a high standard. These units frequently come with items such as a TV, vacuum cleaner and kitchen appliances and, in some cases, furniture. In many cases, the complexes are home to shared amenities such as laundry rooms, bicycle storage and study, sports and recreational facilities. These complexes

are often part of an institutional investor's or property developer's portfolio, while the management is often outsourced to an external operator such as Student Experience, Holland2Stay or StuWorld. These operators don't just collect the rent, but also ensure that repairs are carried out promptly, help students apply for housing benefits and prepare the accommodation to receive the next tenant. By providing a full-service package, such operators aim to attract both domestic and international students to these complexes. This approach has proven itself in practice; Amsterdam alone has gained several new high-end student complexes (such as Ravel Residence, AmstelHome, Nautique Living and Campus Diemen Zuid) in recent years. Due to the high service level and the available amenities, the rental prices for such student units are generally somewhat higher than those for more typical student residences. Rental prices for a studio of approximately 25 m² are usually between EUR 500 and EUR 600 without utilities. Service costs are generally between EUR 100 and EUR 150, with additional charges of around EUR 100 per month for a furnished apartment. At these price levels, students often rely on housing benefit to be able to pay their rent. The landlord generally pays the operator a percentage of the annual rent for the services they provide.

Campus contracts

Many large-scale student housing corporations make use of campus contracts for the majority of their student residences. A campus contract is a temporary rental agreement for students or PhD students that is valid for the duration of their studies. Such a rental agreement stipulates that the tenant must vacate their accommodation within a year or six months of completing their studies. The rental agreement does not end automatically; the landlord must terminate the agreement and must observe the legal notice period in doing so. Using campus contracts is one way to combat the housing shortage. Each year accommodation is guaranteed to become available, as termination of the contract does not require that suitable alternative accommodation be available to the tenant.

LEGISLATION

Investors in residential property, and therefore those investing in student housing, are subject to various regulations. These can include the property valuation system (WWS points system) and landlord levies. Furthermore, tenants may be dealing with housing benefit and the consequences of the social loan system, indirectly affecting investors' results.

Housing benefit

One measure that impacts the affordability of self-contained student accommodation is the option to apply for housing benefit. If a student rents a self-contained flat and is less than 23 years old, they will be eligible for housing benefit as long as the rental price (including eligible service costs) does not exceed the quality discount threshold (kwaliteitskortingsgrens; EUR 424.44 in 2019). From 23 years of age, students are entitled to housing benefit if the rental price (including eligible service costs) does not exceed the liberalisation threshold (liberalisatiegrens; EUR 720.42 in 2019). The amount of the benefit will depend on the student's income and the rental amount. Many student housing corporations align their rental prices with the rent benefit thresholds, meaning the accommodation remains affordable for students, while also allowing the housing corporations to achieve a good return. However, this strategy can be risky. In recent years, the government's housing benefit expenditure has risen sharply, raising the possibility that this will be cut back. If the housing benefit were to disappear, either in whole or in part, this would strongly impact the affordability of student accommodation. This could have a negative effect on returns for investors.

Maximum rental price (WWS)

Every student unit, whether non-self-contained or self-contained, is subject to the WWS points system. Separate WWS points systems apply to non-self-contained and self-contained units. The maximum rental price is determined based on the quality of the accommodation and considers such elements as the property tax value (WOZ), surface area and available amenities. If the landlord demands a higher rental price than the maximum rental price according to the points system, the tenant may turn to the Rent Tribunal to force the rental price to be reduced. This applies to all units with a maximum rental price under the social rent threshold of EUR 720.42. Students who are paying far more than the legal rental price recently received lots of attention in the media. This problem is particularly prevalent in the larger cities with the greatest housing shortages, and is particularly common with private landlords. Despite the fact that turning to the Rent Tribunal could save

students significant sums of money, few make use of this option. They may not be aware that rent assessment exists as an option, or are simply happy to have found a place to live.

Landlord levy

The landlord levy has been in force since 2014, and was put in place by the government with the aim of reducing the national debt by obtaining a financial contribution from landlords. Landlords owning more than 50 rental properties must pay a levy on the property tax value of the rental accommodation. This only applies to self-contained accommodation for which the rent does not exceed EUR 720.42 per month (2019 price level). Student rooms and lodgings in the landlord's home (hospitakamers) are therefore exempt from this levy. However, landlords who let self-contained studios or apartments to students must pay the landlord levy, which stood at 0.561% in 2019.

Building regulations

Both tenants and landlords of student housing are bound by legislation. When it comes to building new student units, it goes without saying that developers must also comply with building regulations. These regulations define a number of requirements, including technical building requirements for new (student) developments. In 2015, it was decided to amend the building regulations to reduce the minimum surface area for a student residence from 18 m² to 15 m² so as to reduce construction costs.

Local policy

Developers of student complexes must comply with the local policies of the municipality in which they wish to build the development. Recent years have seen the government make it easier for developers to build small residences (less than 40 m²) for the private rental sector. Due to the sharp rise of rental prices in large cities, the quality of the accommodation and the permitted rental price are no longer in line. Various municipalities, such as Amsterdam and Utrecht, are trying to make arrangements with market parties through both public and private routes on quantitative and qualitative requirements for new developments. These include such aspects as the correlation between the surface area and rental price, the rental price trend and the duration of such arrangements. It was in this light that the City of Utrecht established the Actieplan Middenhuur (an action plan for mid-level rentals) at the end of 2017. Pursuant to this plan, a new (student) residence in the centre of Utrecht with an average rental price of EUR 711 must have a usable surface area of 40 m², while the rent may only be indexed in line with inflation for 20 years.

SPANISH STUDENT ACCOMMODATION MARKET OVERVIEW

Market overview

Much like their Southern European neighbors Portugal and Italy, the purpose-built student accommodation (PBSA) sector in Spain remains largely under-developed and immature, with the majority of student accommodation being managed by public bodies and religious orders. In more mature PBSA markets such as the U.K. and Germany there are consolidated groups of private, specialized platforms backed by institutional capital.

In Spain, the PBSA market is highly fragmented with the top 5 platforms making up less than 15% of the total supply of student beds. The remaining supply is operated by public entities (mainly universities) and religious orders as previously mentioned, most of which are single-asset operators.

The lack of professionalized, specialist PBSA management in Spain has resulted not only in a chronic undersupply (provision rate of c. 6% vs. 8% in the Netherlands, 10% in Germany, 13% in France and 35% in the U.K.) but also in an existing stock of PBSA that is obsolete and inferior to what is currently demanded by students in terms of quality of accommodation and basic services / amenities. The economic crisis is also partly to blame as austerity measures prevented public bodies from investing in creating more PBSA and refurbishing the existing stock.

Another particularity to the Spanish market is the concession / leasehold model. Most of the existing stock of PBSA is held under concession / leasehold ownership whereby the local government or the university owns the land and agrees to long-term leasehold agreements (maximum 50 years) with third-party occupiers who develop and operate the residences.

Although this type of contract is well accepted by Spanish banks and investors it has acted as a barrier to private, specialized players entering the market in the past.

The poor quality as well as the general undersupply of PBSA in Spain coupled with strong, increasing demand (see Demand in next section below) have created a broad investor appetite across the risk spectrum for exposure to student housing in Spain as demonstrated by the record investment volumes achieved in 2017 and 2018.

Demand

In last 35 years higher education in Spain has experienced significant growth, modernization and internationalization. Increasing demand for higher education has resulted in 36% of Spaniards between the ages of 25 and 64 having a higher education degree (up from 22,7% in 2000, more than in France, Germany and Italy).

Spain also undertook a major overhaul to their university system in 2007 by adopting the Bologna process, thus reducing the standard period from 5 to 4 years.

No. of Students:	1,575,579 (official figure from the Ministry of Education)
International students:	126,000 (8.0%); 40.4% from Latin America / Caribbean, 33% from E.U. and 11.7% from Asia / Oceanía.
Living away from home	300,000 domestic students (21% of domestic students are studying away from home and therefore have a clear accommodation requirement)
Erasmus:	44,596 in 2017 (#1 destination in Europe)
Universities	82 Universities 13 universities are among world's top 500
QS Ranking	12th in the world; 6th in Europe
Cost of Study	Public University – up to €2,000 per annum Private University - €5,000 - €15,000 + per annum

Source: Cushman & Wakefield & INE, 2019

The significant increase in international students in recent years and the unrivaled popularity of Spain within the ERASMUS program are due to the following key drivers:

- i. **Affordability** – The cost of living and studying in Spain is lower than in the majority of competing locations.
- ii. **Lifestyle** – The mild weather combined with the rich culture (food, leisure, nightlife, etc.) make Spain an attractive destination to both visit and live.
- iii. **Quality of Education** – High quality education system with 13 universities in the QS World's Top 500 world-leading programs.
- iv. **Spanish Language** – The historical / cultural ties with Latin / South America (in addition to the language) give Spain a unique advantage vs. other European countries in attracting international students from these regions.

The factors set out above have caused international student numbers in Spain to double over the past 10 years and have made regularly made Spain the most popular destination for ERASMUS students.

Top Erasmus - Receiving countries	# of students	Top Erasmus - Sending countries	# of students
1. Spain	44,596	1. France	40,910
2. Germany	33,346	2. Germany	40,089
3. U.K.	31,067	3. Spain	39,445
4. France	29,068	4. Italy	34,343
5. Italy	22,785	5. Poland	16,518

Source: Cushman & Wakefield & INE, 2019

Supply / Existing Stock & Pipeline

There are currently in the order of 95,000 beds in approximately 1,150 student residences across Spain. As previously mentioned, the majority of these residences are operated by public entities (mainly universities), most of which are single-asset operators.

In terms of PBSA operators, we set out below a breakdown of the largest private / professional operators in Spain in terms of number of beds under management and as a percentage of the total:

Operator	Ownership	Number of Beds (Residences)	% of total beds
1. Resa	Axa/CBRE GI/Greystar	8,300 (32)	8.7%
2. Nexo Residencias	GSA/LaSalle IM	1,400 (4)	1.5%
3. Residencias Campus	Acciona	1,200 (6)	1.3%
4. Campus Patrimonial	EBN Banco	1,000 (5)	1.1%
5. Mi Casa Inn	Family office	800 (5)	0.9%

Source: Cushman & Wakefield Research

As demonstrated in the table above, the market is highly fragmented with the top 5 operators making up less than 15% of the total stock.

In terms of secured pipeline, we have identified the following:

Operator	Ownership	Sites in pipeline	# of total beds
Collegiate	W.P. Carey/Temprano/Princeton	12	5,125
Resa	Axa/CBRE GI/Greystar	4	1,400
Urbania/Syllabus	Invesco	5	1,000
–	Harrison Street	3	1,050
Nexo Residencias	GSA/LaSalle IM	3	1,000
The Student Hotel	Aermont Capital/APG	2	700
Youniq/CRM	Corestate	2	600
–	Henderson Park/Hines	1	600

Source: Cushman & Wakefield Research

Investment Market

Major European players in student housing backed in some cases by institutional capital have only just begun to enter the Spanish market. These include G.S.A., Greystar, Corestate, Collegiate and The Student Hotel amongst others. More recently, traditionally core, institutional investors have formed JVs with specialized operators / developers such as Invesco / Syllabus and Nuveen / Value One.

Investor rationale is based on increased student demand for quality accommodation. Existing stock, in generally quasi-public ownership, has suffered under-investment and is failing to keep pace with the demands of the 21st century in terms of design, technology, sustainability, etc.

Nevertheless, the lack of quality product has led investors to focus primarily on new developments and refurbishments, leading to a lack of direct investment evidence in operational PBSA.

We set out key investment deals in the table below (excluding development deals):

Date	Purchaser	Vendor	Property	Location	Price (€ m)	Comments
Q4 2019	Xior	Private investor	The Loftown (78 rooms, 140 beds)	Barcelona city centre	€24.36m (€174k/bed)	Operating residence in city centre with 78 rooms and 140 total beds.
Q3 2019	Xior	Universidad Europea	Residencia Leonardo da Vinci	Madrid (Villaviciosa de Odón)	€106.75m (€202k/bed)	Xior acquired 80% of the vehicle which owns the asset (€85.4m). The remaining 20% owned by the Universidad Europea. We understand the yield was in the order of 4.50%-4.75%.
Q1 2019	Xior	Local authority (Concession)	UPC – Besós (concession – 191 bedden)	Barcelona - 22 nd	€25.5m (€134k/bed)	Development completed by Life Group and sold to Xior. Land is owned by local authority.
Q4 2018	Grupo El Castillo	Grupo Santa Ana	Villa Universitaria de Alicante	Alicante	€ 19.7m	Alicante's largest student residence located on the main university campus in San Vicente del Raspeig.
Q4 2017	Greystar (met Axa en CBRE GI)	Verschillen-de (Azora, Banca March enz.)	Resa Portfolio (36 properties / c. 9,200 beds) – Primarily Leasehold	Portfolio distributed across 19 Spanish cities	€ 400m	Spain's largest student housing platform. Highly competitive process involving numerous international funds and specialist operators. Nearly all leasehold properties.
Q4 2017	Catella	Solaer Group	La Campaña Student Residence – Leasehold	Pamplona	€ 16m	City centre student residence with approximately 300 beds.

Q2 2017	GSA (with LaSalle IM)	Threesixty Developments	Nexo Portfolio (2,234 beds including pipeline) – Primarily Leasehold	Madrid, Alcalá de Henares en Barcelona	€ 180m	Total of 4 assets & 2 developments in Barcelona (2,234 beds including pipeline).
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Source: Cushman & Wakefield Research

The year 2017 marked a record year for direct investment into student accommodation in Spain with total investment volume in the order of €600m. This figure comprises primarily the Resa and Nexo portfolio deals. The under-bidders on the Nexo portfolio were Roundhill, TPG and Corestate whereas the winning bidder for the Resa portfolio, Greystar, was backed by AXA IM and CBRE GI, demonstrating that much of the capital is now emerging from the core end of the spectrum.

The year 2017 will likely prove to be an outlier in terms of investment volume as the two largest student housing platforms in Spain coincidentally traded during the same calendar year. The remaining market is highly fragmented with very few private institutions owning more than just a few properties. This fragmented supply provides an opportunity for specialized investors and operators to enter not only mayor markets (Madrid & Barcelona) but strong secondary cities where strong demand for modern product has still not been met by quality supply.

Activity during 2018 and 2019 has been much more focused around development with investors scrambling to secure strategically located sites in both Teir 1 and Teir 2 cities. Nearly all of the transactions relating to student housing in Spain in 2018 comprised development deals, with only one deal relating a trading asset (see table above). This development phase has continued in 2019 as investors and operators look to expand and consolidate their trading platforms although there have been several deals for trading assets.

Although we do not refer to yield levels in the above table we can comment that investors currently focusing on prime freehold student housing investment product in Madrid and Barcelona would be prepared to accept an initial return on a stable income producing asset in the order of 5.00% or even slightly lower.

The range of capital focused on student accommodation and other “alternative investments” in Spain is currently quite diverse, ranging from infrastructure funds to international institutions and private equity that is increasingly prepared to accept lower levels of return given the compression in yields within traditional asset classes, in particular retail and offices.

PBSA IN PORTUGAL - MARKET COMMENTARY

Market overview

Like many southern countries in Europe such as Spain and Italy, the purpose-built student accommodation (PBSA) sector in Portugal remains largely under-developed and immature, with the majority of student accommodation being managed by public bodies and religious orders. In more mature PBSA markets such as the U.K. and Germany there are consolidated groups of private, specialized platforms backed by institutional capital.

In Portugal, the PBSA market is highly fragmented with the top 5 platforms (Collegiate, U.Hub, Milestone, Smart Studios and The Nido Collection) making circa 10% of the total supply of student beds. The remaining supply is operated by public entities (mainly universities) and religious orders as previously mentioned, most of which are single-asset operators.

The lack of professionalized, specialist PBSA management in Portugal has resulted not only in a chronic undersupply (provision rate of c. 6% vs. 8% in the Netherlands, 10% in Germany, 13% in France and 35% in the U.K.) but also in an existing stock of PBSA that is obsolete and inferior to what is currently demanded by students in terms of quality of accommodation and basic services / amenities. The economic crisis is also partly to blame as austerity measures

prevented public bodies from investing in creating more PBSA and refurbishing the existing stock.

The poor quality as well as the general undersupply of PBSA in Portugal coupled with strong, increasing demand (see Demand in next section below) have created a broad investor appetite across the risk spectrum for exposure to student housing in Portugal as demonstrated by the record investment volumes achieved in 2019.

In Portugal traditionally, student housing was a shared room in an apartment or a university residence for students, but nowadays this market is completely different, and it has grown significantly.

Today, the student housing in Lisbon and Porto offers a higher quality, with properties developed only for this use, with several solutions in terms of accommodation. In general, the students desire for quality amenity spaces to support their experience, with gym, super-fast internet and even swimming pools.

The quality supply of student accommodations is mainly centralized in Lisbon and Porto. Nevertheless, other cities in which Portugal has a strong presence of universities like Coimbra, Aveiro, Braga, Évora, etc. have also a lack of quality offer.

In Portugal, there are more than 385,000 students, 42% live away from home and 58,000 are foreign students.

Main numbers	
Students	385,000
Live away from home	42 %
Foreign	58,000

Source: <http://www.dgeec.mec.pt>

International student's nationalities are diverse, but their country of origin is mainly from the former Portuguese colonies, as well as Spain and Italy.

Main nationalities	
Brazil	36 %
Angola	7 %
Spain	7 %
Italy	6 %

Main EU nationalities	
Spain	22 %
Italy	20 %
France	13 %
Germany	12 %

Source: <http://www.dgeec.mec.pt>

Portugal offers a mild Mediterranean climate, excellent quality of life, security, beautiful coastline and cities bursting

with historical interest and cultural experiences, where international students have the opportunity to take courses internationally recognized in English.

Apart from the many historic sites and areas of natural beauty, the country is also known for its contemporary culture and nightlife. Today Portugal is also seen as an attractive alternative to the traditional study options.

Demand

In 2018, 10 Portuguese universities were ranked in the top 100 of the Best Universities according to the QS World University Rankings by Subject.

In fact, the international recognition of the Portuguese universities has played a catalyst role in attracting an increasing number of foreign students.

In addition to the universities, Portugal is also home to several well-reputed polytechnics. The main difference between the two is that the universities have a greater focus on academic research, while the polytechnics are more focused on preparing students for a specific career path. Some subjects are only offered in universities or in polytechnics, but there are also several subjects in common.

Lisbon

Universities in Lisbon	43
Colleges in Lisbon	89
Public university courses	+1,200
Private university courses	+460
Students	135,000
Live away from home	40,500

Top 10 colleges	Area	Students
Universidade de Lisboa - Instituto Superior Técnico	Engineering	9,300
ISCTE - Instituto Universitário de Lisboa	Business	8,200
Universidade Nova de Lisboa - Faculdade de Ciências e Tecnologia	Science	6,600
Universidade Lusófona de Humanidades e Tecnologias	Humanities & Technology	6,500
Universidade Aberta	Several	4,700
Universidade de Lisboa - Faculdade de Ciências	Science	4,650
Universidade Europeia	Several	4,550
Universidade de Lisboa - Faculdade de Direito	Law	4,200
Universidade de Lisboa - Faculdade de Letras	Literature	4,100
Universidade Nova de Lisboa - Faculdade de Ciências Sociais e Humanas	Social Sciences	4,000

Source: DGEEC, Cushman & Wakefield Analysis

Porto

Universities in Porto	31
Colleges in Porto	62
Public university courses	+650
Private university courses	+380
Students	74,000
Live away from home	26,000

Top 10 colleges	Area	Students
Instituto Politécnico do Porto-Institu Superior Engenharia do Porto	Engineering	6,500
Universidade do Porto - Faculdade de Engenharia	Engineering	6,400
Instituto Politécnico do Porto - Instituto Superior de Contabilidade e Administração do Porto	Business	4,200
Universidade do Porto - Faculdade de Letras	Literature	3,600
Universidade do Porto - Faculdade de Ciências	Science	3,400
Instituto Universitário da Maia - ISMAI	Several	3,300
Universidade do Porto - Faculdade de Economia	Economics	2,900
Universidade Fernando Pessoa	Several	2,700
Instituto Politécnico do Porto - Escola Superior de Saúde do Porto	Medicine	2,400
Universidade Portucalense Infante D. Henrique	Several	2,300

Source: DGEEC, Cushman & Wakefield Analysis

As we have mentioned previously, the traditional student market was dominated by public bodies and religious orders, but currently, with the new offer from international operators, student accommodation is an attractive alternative.

Lisbon supply

- Majority of supply consists of private rooms;
- PBSA have a low share of student housing stock;
 - 65 PBSA in Lisbon
 - 4,000 beds
- Universities or catholic institutions manage the largest share - 68% beds;
- Private operators – 25 units identified (32% beds);
- Attractiveness of the market;
 - 15 projects in the pipeline until 2022
 - 4,500 beds
- Private operators interested in the market: Collegiate, Valeo, The Nido Collection...
- Min. rent €300, average rent €700, maximum rent €1,800

Source: Cushman & Wakefield

Main private schemes in Lisbon

Project	Management	# beds	Price (€/room/month)
Collegiate Marquês de Pombal	Collegiate	330	€615-1600
Cascais Nova Milestone	Milestone	122	€545-695
Doorm Lisboa	Doorm	86	€575-675
ZoneSpru Sapateiros	SPRU	75	€446-690
U.hub Alvalade	University Hub	66	€485-680
Montes Claros	Montes Claros	61	€670-670
Montepio U Live Santos	Mentepio U Live	60	€290-445

Source: Cushman & Wakefield

Porto supply

- As in Lisbon, majority of supply is private residential;
- Circa 36 PBSA in total-2800 beds;
- 2,000 beds;
- Schemes managed by universities - 50% supply;
- Recent opening of Milestone (227 beds) and Livensa (580 beds);
- PBSA in pipeline for the next three years is increasing
 - 13 projects
 - Circa 5400 beds
- Private operators interested in the market: Collegiate, Valeo, The Nido Collection...
- Min. rent €180, average rent €535, maximum rent €750

Source: Cushman & Wakefield

Main private schemes in Porto

Project	Management	# beds	Price (€/room/month)
Livensa Living U. Porto Campus	Living Livensa	583	€440-695
Milestone Porto	Milestone	227	€516-656
WorldSpru	SPRU	195	€361-748
Porto Alto	Porto Alto	56	€420-650
LowCoast Studio Residence	Private	54	€475-475
The Gallery House	Misericórdia do	40	€200-300
Joy 907 Erasmus Residence	Private	20	€395-440

Source: Cushman & Wakefield

There are currently in the order of 18,800 beds in approximately 225 student residences across Portugal. As previously mentioned, the majority of these residences are operated by public entities (mainly universities), most of which are single-asset operators.

In terms of PBSA operators, we set out below a breakdown of the largest private / professional operators

Secure pipeline, we have identified the following:

Main private schemes in Portugal

Project	Opened	Pipeline
Livensa Living	583	330
Milestone	349	542
Collegiate	330	719
SPRU	270	0
Smart Studios	212	1279

Source: Cushman & Wakefield

As demonstrated in the table above, the market is highly fragmented with the top 5 operators making up more than 9% of the total stock.

Percentage private schemes in Portugal

Project	Opened	% of total beds
Livensa Living	583	3.10%
Milestone	349	1.86%
Collegiate	330	1.76%
SPRU	270	1.44%
Smart Studios	212	1.13%

Source: Cushman & Wakefield

As mentioned before, currently there is an insufficient supply of good quality student housing when comparing to impressive growth forecasts of the number of international students in Portugal.

The level of supply for good quality student housing accommodations still is low in Portugal, being although increasing mainly in Lisbon and Porto. The level of demand for student residences is high, largely surpassing the offer level, levelling up average prices up to 5% in the last year.

Nowadays the challenges for those who plan to invest in this sector is the scarcity of suitable land or properties and the strong competition with more valuable end uses as residential. Additionally, there are other types of rental, such as local market, non-professionalized leasing, short-term rental and student residence sites such as Uniplaces, which have registered strong growth in the past few years.

Investment market

Major European players in student housing backed in some cases by institutional capital have only just begun to enter the Portuguese market. These includes Xior and Temperano amongst others.

Investor rationale is based on increased student demand for quality accommodation. Existing stock, in generally quasi-public ownership, has suffered under-investment and is failing to keep pace with the demands of the 21st century in terms of design, technology, sustainability, etc.

Nevertheless, the lack of quality product has led investors to focus primarily on new developments and refurbishments, leading to a lack of direct investment evidence in operational PBSA. We set out key investment deals in the table below (excluding development deals):

Year	Type	Building	Location	Size (m ²)	Vendor	Purchaser	Price (€/m)	Price (€/m ²)
2016	Redevelopment	Conce de Redondo 79	Lisbon	10,900	CTT	Temprano	€17.0 m	€1,560
2017	Redevelopment	Universiteitsgebouw Almeida Garret	Porto	N/A	Universidade do Porto	Real Douro	€6.1m	N/A
2018	Redevelopment	Campo Pequeno 34	Lisbon	39,000	Novo Banco	Round Hill Capital/TPG	€35-45	€960
2019	Investment	Promiris-portefeuille (termijnjanaan-koop)	Lisbon & Porto	11,500	Promiris	XIOR	€28.2m	€2,450
2019	Redevelopment	Alta de Lisboa Land	Lisbon	14,000	Developer	Corporate	€8-10m	€650
2019	Investment	U.hub- portefeuille (termijnjanaan-koop)	Lisbon & Porto	N/A	U.hub	XIOR	€130.0m	N/A

Source: Cushman & Wakefield

The year 2019 marked a record year for direct investment into student accommodation in Spain with total investment volume in the order of €170m. This figure comprises primarily the XIOR acquisition of the Promiris and U.hub portfolios. This is a flourishing sector in Portugal, the first openings happened in the last 2/3 years, with a special emphasis for the Collegiate Prestige Marquês de Pombal, which opened in January 2017 and it is considered a luxury student housing, focused on international students.

Activity during 2018 and 2019 has been much more focused around development with investors scrambling to secure strategically located sites mainly in Lisbon and Porto. This development phase will continue in 2020 as investors and operators look to expand and consolidate their trading platforms.

Although we do not refer to yield levels in the above table we can comment that investors currently focusing on prime freehold student housing investment product in Lisbon and Porto would be prepared to accept an net initial yield of around

6.00% or even lower.

According to our experience, this sector has gone from a niche market, especially in Europe, to a mainstream investment during the last years, so we believe that this sector will be a strong and attractive one in the future.

In terms of investment demand, we believe that micro-locations or prime locations, are becoming an increasingly important part of investor's criteria which will impact on the investment yields.

Sources NL:

Cushman & Wakefield, 2019

DUO, 2018

Kamernet, 2018

Sources ES:

C&W Research

C&W Research & INE, 2019

INE, 2019

Sources PT:

<http://www.dgeec.mec.pt>

DGEEC, Cushman and Wakefield analysis

Cushman & Wakefield

8.2

PROPERTY PORTFOLIO

A summary and description of the Company's property portfolio, including its composition and diversification, is provided below.

8.2.1 VALUATION OF THE PROPERTY PORTFOLIO AS AT 31 DECEMBER 2019

Country	City	Address	Total Rent (i)	Estimated Rental Value (ii)	Contract Rental Income (iii)
BE	Antwerp		2,316,267	2,219,933	2,276,598
		1 Frankrijklei 62 - retail		106,068	0
		2 Frankrijklei 70 - retail	38,734	29,666	38,734
		3 Italiëlei 80-82	124,320	138,922	105,672
		4 Kipdorpvest 40-42 - parkings	49,900	49,900	49,900
		5 Kipdorpvest 49	1,794,553	1,573,612	1,778,284
		6 Klapdorp 4-6	118,680	121,831	118,680
		7 Viaductdam 104	190,080	199,934	185,328
BE	Brussels		4,513,825	4,365,477	4,392,628
		8 Alma - Lenneke Marelaan 2 (Zaventem)	2,534,205	2,378,223	2,534,205
		9 Kruitmolenstraat 43 under construction		67,717	0
		10 KVS I - Ladderstraat 6, 14 en 16 / Lakensestraat 157-159	179,760	174,724	167,363
		11 KVS II - Ladderstraat 15-19 / Ladderstraat 11-13 / Sint-Jan Nepomucenusstraat 32-34	300,060	288,680	300,060
		12 Nieuwbrug 16	65,400	66,643	65,400
		13 Oudergemlaan 269-275	822,400	785,110	822,400
		14 Woodskot - Camuselstraat 30-32-34	612,000	604,380	503,200
BE	Ghent		3,666,227	3,881,734	3,066,227
		15 Campus BXL - Brusselsepoortstraat 89	422,280	402,069	422,280
		16 Campus Schoonmeersche- Voskenslaan 58, Overwale 42-44	2,262,767	2,275,819	2,262,767
		17 Hoogstraat 33-37	149,580	148,673	149,580
		18 Oude Beestenmarkt 11 / Zilverenberg 16 under construction		78,233	
		19 Project Bagattenstraat - Rozendaalken		251,040	N/A

Occupancy Rate (iv)	Fair Value on 31/12/2019	Year of construction or refurbishment	Units - Rooms	Units - Other	m ²
	48.209,125		289	43	10.648
	2,378,819	2013	0	1	437
100%	583,691	2015	0	1	90
85.0%	2,681,075	2012	20		695
100%	1,082,353	N/A	0	40	1,200
99.1%	35,313,747	2013	207	1	6,886
100%	2,179,369	2011	22		528
97.5%	3,990,071	2015	40		812
	82,743,525		550	102	20,757
100%	42,854,920	2019	240	102	11,689
	1,096,543	2019-2020	16		188
93.1%	3,657,875	2017	30		488
100%	6,164,767	2017	39		1,174
100%	1,045,528	2006	16		239
100%	15,583,051	2018	118		4,041
82%	12,340,841	2019	91		2,938
	70,852,046		708	51	13,303
100%	8,074,075	2016	83		1,369
100%	43,160,684	2016	490	1	8,046
100%	2,894,304	2015	30		468
	916,183	2020	17		341
	2,103,034	N/A	50		N/A

Country	City	Address	Total Rent (i)	Estimated Rental Value (ii)	Contract Rental Income (iii)
		20 Sint-Pietersnieuwstraat 186 / G. Magnelstraat 13a		231,600	240,422
		21 Universiteitstraat 13		600,000	485,479
BE	Leuven		5,359,778	5,530,296	5,359,778
		22 Arendstraat 11		39,720	39,720
		23 Bogaardenstraat 11		52,020	53,941
		24 Bondgenotenlaan 74 - retail/kamers		258,152	297,321
		25 Brusselsestraat 182-184		198,196	202,249
		26 Brusselsestraat 242		96,768	100,272
		27 Brusselsestraat 244		39,900	37,140
		28 Diestsevest 85		67,260	73,140
		29 Frederik Lintsstraat 9		63,180	65,691
		30 Frederik Lintsstraat 148-150		171,300	173,391
		31 Ierse Predikherenstraat 17-19		72,360	71,719
		32 Janseniusstraat 38		597,240	605,834
		33 Justus Lipsiusstraat 9		51,240	52,845
		34 Kapucijnenvoer 34		43,800	46,027
		35 Mechelsestraat 77		119,940	125,721
		36 Minderbroedersstraat 19		204,276	199,875
		37 Minderbroedersstraat 21		702,480	708,906
		38 Naamsestraat 58-60 - parkings		N/A	4,383
		39 Parkstraat 137		358,320	390,252
		40 Ravenstraat 40		65,160	71,597
		41 St-Annastraat 13		64,080	62,952
		42 Strijdersstraat 66		64,380	65,813
		43 Studax - Martelarenlaan 40		1,518,146	1,535,923
		44 Tiensestraat 184-186 / Windmolenveld-straat 86-88		207,360	210,529
		45 Tiensestraat 251		65,520	67,213
		46 Tiensestraat 274/Windmolenveldstraat 2-4		85,380	82,770
		47 Vlamingenstraat 91/ Parkstraat 11		153,600	172,068
BE	Mechelen		75,660	119,435	70,616
		48 Ontvoeringsplein 6		75,660	119,435
NL	Amstelveen		700,000	10,338,970	700,000
		49 Project Amstelveen - Prof. W.H. Keesomlaan 6-10		700,000	2,778,970
		50 Project Regio Amsterdam			7,560,000

Occupancy Rate (iv)	Fair Value on 31/12/2019	Year of construction or refurbishment	Units - Rooms	Units - Other	m ²	
	100%	4,580,690	2019	38		1,320
		9,123,076	2013	0	50	1,759
		108,722,949		1,027	10	32,040
	100%	993,901	2017	11		179
	100%	977,584	2014	8		203
	100%	6,910,129	2017	18	1	988
	100%	3,859,252	2015	24	1	951
	100%	1,965,460	2014	17		350
	100%	729,144	2019	8		153
	100%	1,464,685	2019	14		233
	100%	1,166,313	2009	14		243
	100%	3,524,585	2009	37		516
	100%	1,258,846	2015	15		207
	100%	11,222,439	2013-2015	160		3,568
	100%	1,007,546	2014	10		150
	100%	821,247	2015	8		179
	100%	2,298,436	2015	21		425
	100%	4,232,976	2014-2015	33		628
	100%	12,824,539	2013	127		8,554
		140,423	2015	0	3	90
	100%	7,191,124	2017	72		1,502
	100%	1,299,277	2018	16	1	242
	100%	1,199,282	2014	13		227
	100%	1,134,552	2010	14		222
	100%	31,740,373	2016	292		9,880
	100%	4,227,757	2011	39		689
	100%	1,211,473	2012	10		289
	100%	1,870,211	2018	17	4	590
	100%	3,451,395	2019	29		782
		1,951,426		15	0	390
	93%	1,951,426	2013	15		390
		65,082,967		300	1	22,743
	100%	22,982,967	2022	300		22,743
		42,100,000	2022		1	

Country	City	Address	Total Rent (i)	Estimated Rental Value (ii)	Contract Rental Income (iii)
NL	Amsterdam		6,100,620	6,088,620	5,922,083
	51	Barajasweg 60-70	937,429	980,160	937,429
	52	Karspeldreef 15-18	3,162,660	3,361,260	2,984,123
	53	Naritaweg 139-149	765,459	779,880	765,459
	54	Naritaweg 151-161	1,235,071	967,320	1,235,071
NL	Breda		1,519,216	1,503,331	1,514,119
	55	Tramsingel 21	305,796	309,814	300,699
	56	Tramsingel 27	927,156	837,227	927,156
	57	Vismarkt - Kraanstraat 1 en 5	286,264	356,290	286,264
NL	Delft		2,510,841	2,472,417	2,510,841
	58	Antonia Veerstraat 1-15	1,019,700	965,993	1,019,700
	59	Barbarasteeg 2	851,781	838,700	851,781
	60	Phoenixstraat 16	639,360	667,724	639,360
NL	Den Haag		1,562,700	2,892,854	1,507,143
	61	Eisenhowerlaan 146	373,740	412,110	318,183
	62	Eisenhowerlaan 148	373,740	412,110	373,740
	63	Eisenhowerlaan 150	287,220	338,400	287,220
	64	Project Burgwal - Lutherse Burgwal 10	under conversion	1,178,213	
	65	Waldorpstraat 600-742	528,000	552,021	528,000
NL	Eindhoven		671,100	684,495	671,100
	66	The Spot - Kronehoefstraat 1-11F	671,100	684,495	671,100
NL	Enschede		1,933,128	2,001,135	1,933,128
	67	Ariënsplein 1	1,933,128	2,001,135	1,933,128
NL	Groningen		3,147,220	4,284,306	3,147,220
	68	Oosterhamrikkade 103-107	1,397,220	1,367,689	1,397,220
	69	Project Eendrachtskade, Eendrachtskade 2	1,750,000	2,916,617	1,750,000
NL	Leeuwarden		650,078	637,522	650,078
	70	The Block - Tesselschadestraat 7-19B	650,078	637,522	650,078
NL	Leiden		863,820	937,505	863,820
	71	Campus Verbeek - Verbeekstraat 11-29	863,820	937,505	863,820

Occupancy Rate (iv)	Fair Value on 31/12/2019	Year of construction or refurbishment	Units - Rooms	Units - Other	m ²
	127,750,000		567	0	14,973
100%	20,750,000	2018	88		2,741
94%	70,350,000	2019	320		7,380
100%	16,150,000	2018	73		2,098
100%	20,500,000	2018	86		2,754
	24,463,192		226	1	9,713
98%	5,004,453	2015	60		2,251
100%	14,358,739	2016	122		5,754
100%	5,100,000	2015	44	1	1,708
	45,809,386		317	0	12,276
100%	17,487,077	2017	118		4,689
100%	15,598,933	2016	108		4,187
100%	12,723,376	2018	91		3,400
	53,076,461		407	3	15,336
85%	7,450,000	2014	64		1,364
100%	7,450,000	2014	64		1,364
100%	5,850,000	2015	68		1,384
	22,296,182	2020	139	3	8,521
100%	10,030,279	2017	72		2,703
	11,313,436		95	0	3,643
100%	11,313,436	2016	95		3,643
	30,856,923		273	2	16,652
100%	30,856,923	2018-2019	273	2	16,652
	52,763,753		405	0	26,830
100%	22,705,413	2018	180		8,685
100%	30,058,341	2020	225		18,145
	11,300,000		82	1	3,907
100%	11,300,000	2016	82	1	3,907
	14,601,803		134	0	9,610
100%	14,601,803	2016	134		9,610

Country	City	Address	Total Rent (i)	Estimated Rental Value (ii)	Contract Rental Income (iii)
NL	Maastricht		7,719,123	9,995,538	7,533,123
	72	Annadal - Brouwersweg 100 / Becanusstraat 13-17	3,347,192	5,601,186	3,336,032
	73	Bonnefanten College - Tongerseweg 135	1,944,180	2,057,190	1,769,340
	74	Carré - Tongerseweg 55-57	1,748,216	1,767,676	1,748,216
	75	Vijverdalseweg 2	566,615	443,400	566,615
	76	Wycker Grachtstraat 2-2A	112,920	126,086	112,920
NL	Rotterdam		2,783,637	5,491,003	2,777,397
	77	Burgemeester Oudlaan 480-1008	2,149,680	1,875,352	2,143,440
	78	Project Bokelweg - Heer Bokelweg 121-171	633,957	3,615,651	633,957
NL	Tilburg		435,758	426,160	435,758
	79	Enschotsestraat 78-84	121,740	118,320	121,740
	80	Kapelhof 31 / Heuvelstraat 126	75,940	97,020	75,940
	81	Korenbloemstraat 42-44a	99,558	67,100	99,558
	82	Mariastraat 27a/b/c / Nieuwlandstraat 14	60,428	63,720	60,428
	83	Nieuwlandstraat 1/1a	78,092	80,000	78,092
NL	Utrecht		2,746,820	2,843,656	2,623,225
	84	Rotsoord - Rotsoord 19-263 / Diamantweg 2-168	2,179,680	2,296,740	2,063,285
	85	Rotsoord Klopgebouw - Rotsoord 19-263 / Diamantweg 2-168	0	54,000	0
	86	The Hive - Willem Dreeslaan 113	567,140	492,916	559,940
NL	Venlo		1,256,350	1,276,337	1,256,350
	87	The Safe - Peperstraat 8A1-8C14 / Kwietheuvel 51-77	428,580	473,027	428,580
	88	The Bank - Spoorstraat 9-229 / Keulse Poort 12	827,770	803,311	827,770
NL	Wageningen		807,780	810,600	807,780
	89	Duivendaal - Costerweg 50	604,260	608,460	604,260
	90	Meteogebouw - Duivendaal 2	203,520	202,140	203,520
ESP	Barcelona		2,595,657	2,595,657	2,095,464
	91	Diagonal Besòs - Ronda de Sant Ramón de Penyafort 261-269	1,531,080	1,531,080	1,030,887
	92	The Lofttown - Calle Seneca 24-26	1,064,577	1,064,577	1,064,577

Occupancy Rate (iv)	Fair Value on 31/12/2019	Year of construction or refurbishment	Units - Rooms	Units - Other	m ²
	143,436,553		1.281	43	68,242
100%	67,808,766	2017-2019	723	37	45,695
91%	39,399,747	2019	257		16,366
100%	27,886,282	2016	143	5	3,461
100%	6,300,000	2018	135	1	2,214
100%	2,041,759	2016	23		506
	73,362,652		630	0	31,874
100%	33,899,652	2017	280		9,308
100%	39,463,000	2021	350		22,566
	6,590,000		72	4	2,139
100%	1,790,000	2005	17		467
100%	1,870,000	2006	21		431
100%	830,000	2004	14	2	395
100%	1,020,000	2014	9	1	465
100%	1,080,000	2014	11	1	381
	57,396,353		340	1	10,624
95%	46,650,000	2018	206		5,348
N/A	730,000	2019		1	300
100%	10,016,353	2015	134		4,976
	21,443,432		166	3	9,223
100%	7,859,287	2016	56	2	3,428
100%	13,584,145	2017	110	1	5,795
	14,410,000		201		3,388
100%	10,950,000	2019	179		2,840
100%	3,460,000	2019	22		548
	41,853,000		269	1	8,186
67%	23,772,500	2019	191	1	5,336
100%	18,080,500	2016	78		2,850

Country	City	Address	Total Rent (i)	Estimated Rental Value (ii)	Contract Rental Income (iii)
ESP	Madrid		4,171,969	5,205,772	4,171,969
		93 Xior Picasso - Xior Velázquez	4,171,969	4,171,969	4,171,969
		94 Project UEM - Campus UEM / Calle Tajo s/n		1,033,803	
PT	Lissabon		538,000	2,390,000	538,000
		95 Alameda - Avenida Almirante Reis 178	172,000	172,000	172,000
		96 Alvalade - Praça de Alvalade 9	366,000	366,000	366,000
		97 Project Benfica - Avenida Colégio Militar 16	under construction	1,852,000	
PT	Porto			3,344,000	
		98 Project São João - Rua do Bairro da Areosa	under construction	2,159,000	
		99 Project Granjo - Rua António Granjo 142	under construction	1,185,000	
Totalen			58,045,573	82,336,752	56,824,445

(i) Total Rent represents the rent the Company would invoice based on its asking price on 31 December 2019, if 100% of the property portfolio available for letting (not including rooms under renovation) were let, including the estimated annual rental income for hostel activities.

(ii) Estimated Rental Value as estimated by Stadim and Cushman & Wakefield.

(iii) Annual contract rent based on the tenancy schedule on 31 December 2019.

(iv) Ratio between Rental Income and Total Rent.

(v) For some properties, no contracted Rental Income is available as of 31 December 2019; this concerns (a) Kruitmolenstraat 43, (b) Oude Beestenmarkt 11/Zilverenberg 16, (c) Bagattenstraat, (d) Lutherse Burgwal 10, (e) Rotsoord Klopgebouw, (f) Universiteitstraat (a hostel for which no rent is contracted in advance), (g) Project UEM, (h) Project Benfica, (i) Project São João and (j) Project Granjo. The properties at Kruitmolenstraat 43, Oude Beestenmarkt 11/Zilverenberg 16 and Lutherse Burgwal 10 are under renovation and were therefore excluded from rental. The Rotsoord Klopgebouw, Project Benfica, Project São João and Project Granjo properties are development projects that are still under construction. Bagatten and Project UEM concern land positions that have yet to be developed.

The total Fair Value was KEUR 1,283,924 on 31 December 2019, as estimated by the valuation expert. The consolidated balance sheet included investment properties for an amount of KEUR 1,190,791. The difference is due to a) the real estate related to the joint ventures; the 100% value of the real estate is included in the table above, but is not accounted for under the investment property line (KEUR 79,289); b) a number of properties are under construction/renovation; foreseeable construction costs were taken into account when determining the amount included in the consolidated balance sheet, on the other hand there are also a number of properties delivered in the course of Q4 2019 for which not all invoices were received; this was taken into account (KEUR 10,305); and d) certain structural works will be carried out on a number of properties in the portfolio (renewal of elevators, update of installations, façade works, etc.), again for which the amount included in the consolidated balance sheet takes account of foreseeable costs (KEUR 3,539).

Occupancy Rate (iv)	Fair Value on 31/12/2019	Year of construction or refurbishment	Units - Rooms	Units - Other	m ²
	96,646,000		464		13,612
100%	86,469,500	2016	464		13,612
	10,176,500	N/A	N/A		N/A
	32,186,000		440		13,007
100%	960,000	2015	32		865
100%	5,659,000	2016	66		2,442
	25,567,000	2020	342		9,700
	47,103,000		667	16	17,493
	29,113,000	2020	456		12,600
	17,990,000	2021	211	16	4,893
98%	1,283,923,985		9,924	282	390,609

	Total Rent (i)	Estimated Rental Value (ii)	Rental In- come (iii)	Fair Value	Units – rooms	Units – other
Belgium	15,331,757	15,380,357	15,165,847	301,252,961	2,539	156
The Netherlands	32,324,234	34,580,997	31,769,208	596,026,424	4,482	54
Portugal	538,000	538,000	538,000	6,619,000	98	
Spain	6,767,626	6,767,626	6,267,433	128,322,500	733	1
Hostel – Belgium	600,000	485,479		9,123,076		50
Under construction – Netherlands		54,000		730,000		1
Under construction – Portugal		5,196,000		72,670,000	1,009	16
To be developed – Belgium		251,040		2,103,034	50	
To be developed – Spain		1,033,803		10,176,500		
To be converted – Netherlands	3,083,957	18,049,451	3,083,957	156,900,490	1,014	4
Total	58,645,573	82,336,752	56,824,445	1,283,923,985	9,925	282

A number of properties in Belgium are (partially) not rented out at the moment, because they will be renovated to meet the quality standards of Xior. It concerns Kruitmolenstraat 43 in Brussels and Oude Beestenmarkt 11/Zilverenberg 16 in Ghent. These renovations are part of the Xior renovation program. No specific budgets are provided for this. The program annual budget for maintenance and repair is used for this.

In the Netherlands, four office buildings will also be converted into student accommodations. This concerns the property at Heer Bokelweg in Rotterdam, the property at Lutherse Burgwal in The Hague, the property at Prof W.H. Keesomlaan in Amstelveen, Project Regio Amsterdam and the property at Eendrachtsskade in Groningen. These properties are currently rented out as office space pending the building permit and the start of the renovation work. The conversion of the property at Lutherse Burgwal in The Hague started at the end of 2019. The building should be ready for rental as student units by Q4 2020.

8.2.2 DESCRIPTION AND DIVERSIFICATION OF THE PROPERTY PORTFOLIO

8.2.2.1 General description of the property portfolio

On 31 December 2019, the Company's property portfolio consists of 99 properties (two of which are project plots). Of these, 48 properties were located in Belgium, 42 in the Netherlands, 4 in Spain and 5 in Portugal. These properties offer a total of 7,932 lettable student rooms as at 31 December 2019 (which will increase to around 12,000 student rooms in 104 properties after completion of the Company's fully committed pipeline as at 31 December 2019), and there is also retail activity on the ground floor of 14 of these buildings. The property portfolio also includes two properties used only for retail

activities, a hostel in Ghent with 50 units, 'Roxi' in Zaventem with 99 units and a car park in Antwerp. The Company has a number of properties that are currently rented out as office space pending their conversion into student rooms. Not including the properties being renovated, the property portfolio had a total occupancy rate of 98% across 2019.

On 31 December 2019, the total Fair Value of the property portfolio was EUR 1,190,790,743²⁵. The Company is a pure player in student housing and has student property as its core activity. The property portfolio is strategically diversified: its student accommodation is a well-balanced mix in terms of geographical diversification and student property types (see different types of student rooms). The large number of different tenants and various room types attract a wide range of different types of student tenants, ensuring a good diversification in terms of tenant types.

8.2.2.2 Breakdown in sub-portfolios

The following summary lists the property portfolio by sub-portfolio, country and city. Every sub-portfolio shows the Purchase Value, Fair Value, Rental Income and insured value.

The Rental Income is the annual rent based on the tenancy schedule on 31 December 2019.

		Fair Value	Rental Income (iii)	Insured value	Acquisition value excl. costs
Belgium	Antwerp	48,209,125	2,276,598	23,759,231	45,845,500
	Brussels	82,743,525	4,392,628	39,027,528	75,042,023
	Ghent	70,852,046	3,066,227	41,835,491	55,982,700
	Leuven	108,722,949	5,359,778	34,323,518	101,266,028
	Mechelen	1,951,426	70,616	1,408,700	1,894,000
Spain	Barcelona	41,853,000	2,095,464	20,339,725	43,515,000
	Madrid	96,646,000	4,171,969	26,000,000	73,400,000
The Netherlands	Amstelveen	65,082,967	700,000	42,294,903	62,923,617
	Amsterdam	127,750,000	5,922,083	50,747,775	113,879,887
	Breda	24,463,192	1,514,119	15,166,614	21,155,579
	Delft	45,809,386	2,510,841	19,288,836	39,892,389
	The Hague	53,076,461	1,507,143	31,612,061	42,251,654
	Eindhoven	11,313,436	671,100	5,778,521	10,400,000
	Enschede	30,856,923	1,933,128	17,824,770	29,683,182
	Groningen	52,763,753	3,147,220	33,589,004	50,582,826
	Leeuwarden	11,300,000	650,078	11,307,841	10,821,132
	Leiden	14,601,803	863,820	13,028,054	12,747,053
	Maastricht	143,436,553	7,533,123	114,032,695	128,274,862

²⁵ This is the Fair Value as included in the balance sheet of 31 December 2019. We refer to Chapter 8.2.1 for the reconciliation between the value included in the balance sheet and the valuation of the Valuation Expert.

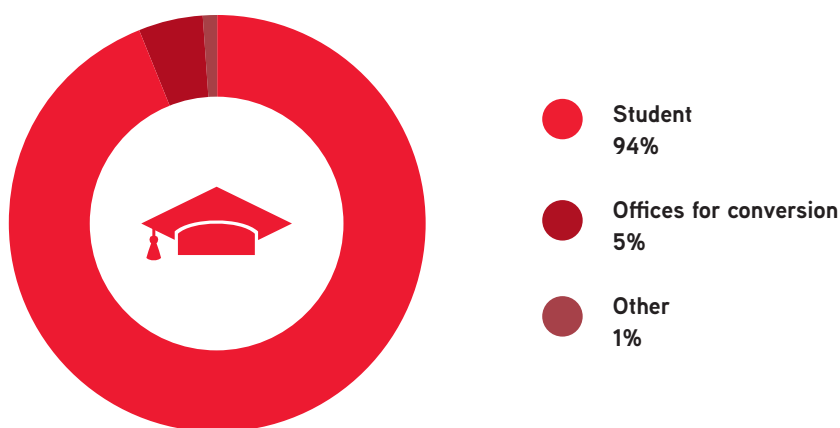
	Rotterdam	73,362,652	2,777,397	27,203,413	69,463,000
	Tilburg	6,590,000	435,758	4,338,542	5,441,826
	Utrecht	57,396,353	2,626,113	26,596,146	48,347,854
	Venlo	21,443,432	1,256,350	13,120,019	18,825,000
	Wageningen	14,410,000	807,780	10,253,741	13,560,000
Portugal	Lisbon	32,186,000	538.000	0	0
	Porto	47,103,000	0	0	0
Total		1,283,923,985	56,827,332	622,877,129	1,075,195,112

Xior Student Housing's property portfolio is insured for a total reconstruction value of EUR 623 million, which does not include the land on which the property was built, compared with a Fair Value of EUR 1,190 million (including the land) on 31 December 2019, i.e. 52.35% of the Fair Value. Insurance premiums paid in 2019 totalled KEUR 339.

The insurance policies also include additional cover of lost rent if the properties can no longer be used. The lost rent will be paid out for as long as the building has not been reconstructed. Xior Student Housing also has civil liability insurance.

8.2.2.3 Property portfolio type

The following graph shows the diversification of Rental Income for every type of property based on the Total Rent of the respective properties in the property portfolio.



Total Rent - Diversification by type

The above summary shows the strong focus on student property, which accounts for 94% of Rental Income. There is also temporary rental income from offices pending their reconversion. These represent 5% of Rental Income. The portfolio also includes a limited number of retail spaces (1% of the Total Rent), which are mostly situated on the ground floor of properties primarily serving as student accommodation. Two properties are used exclusively for retail purposes. Besides retail spaces, the 'Other' segment includes the Total Rent from other activities, including the hostel in Ghent and the car park in Antwerp.

8.2.2.4 Description of student room types

The Company provides various types of student rooms in the student housing segment. The majority of the building complexes has various types of rooms in order to attract a wide range of tenant types. The number of rooms per property can vary greatly, and often depends on the property's location. The smallest property (not used for retail) in the property portfolio contains eight student units (Bogaardenstraat 11, Leuven), while the largest complex is the Annadal complex in Maastricht with 723 units. On average, the true individual lettable surface area (excluding common areas) is generally 60% of the total surface area.

The various Xior room types are categorised as follows:

- **Basic:** A student room with a washbasin in the room, and a shared toilet and shower on the corridor.
- **Basic +:** A student room with a washbasin and its own shower. There is a shared toilet that is on the corridor.
- **Comfort:** A student room with its own fridge and bathroom (washbasin, shower and toilet).
- **Premium:** A student studio with its own fully-equipped bathroom (washbasin, shower and toilet) and its own kitchenette (a fridge and a hob).

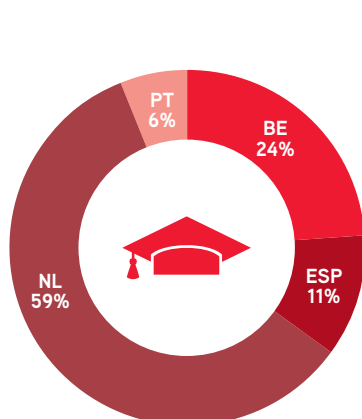
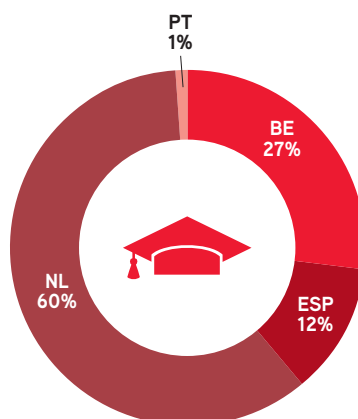
The following graph shows the mix of all the available rooms in the property portfolio by room type. The Premium room has the biggest share (46%). The high amount of Premium rooms, Basic+ rooms (7%) and Comfort rooms (26%) illustrates the high demand for privacy and individual comfort. Basic rooms account for 21%.



Number of rooms - Diversification by room type

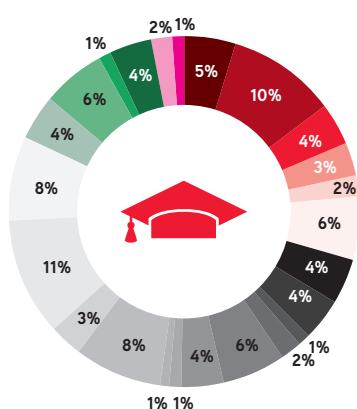
8.2.2.5 Geographical diversification of the property portfolio

The following graphs show the diversification of the property portfolio by country based on the Fair Value. In the Netherlands, the portfolio consists of 42 properties, representing a total Fair Value of EUR 754 million or 59% of the entire property portfolio; in Belgium, the portfolio consists of 48 properties, representing a total Fair Value of EUR 312 million or 24% of the entire property portfolio. The other 17% is located in Spain and Portugal, with a total of 9 properties and a Fair Value of EUR 218 million. Based on Total Rent, Belgium represents 27% of the property portfolio with EUR 15.9 million. The Netherlands represents EUR 35.4 million, which corresponds to 60% of the Total Rent and Spain represents EUR 6.8 million, which corresponds to 12%.

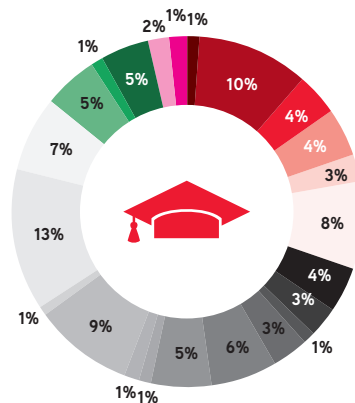
*Fair Value - Diversification by country**Total rent - Diversification by country*

The RREC's property portfolio includes 99 properties spread across 5 cities in Belgium, 16 cities in the Netherlands, 2 cities in Spain and 2 cities in Portugal. The properties are located in the key student cities of Flanders: Leuven, Ghent, Antwerp, Brussels and Mechelen, as well as the key student cities in the Netherlands: Amsterdam, Amstelveen, Breda, The Hague, Tilburg, Maastricht, Eindhoven, Delft, Rotterdam, Utrecht, Venlo, Leiden, Groningen, Leeuwarden, Enschede and Wageningen, major student cities in Spain, in particular Barcelona and Madrid, and major student cities in Portugal, in particular Porto and Lisbon. The locations of the various properties in Belgium, the Netherlands, Spain and Portugal and their representation in the property portfolio in terms of Fair Value and Total Rent are provided below:





Fair value - Diversification by city



Total rent - diversification by city

8.2.2.6 Diversification in terms of Rental Income and Fair Value

The following tables show the property portfolio top 10 in terms of Total Rent and Fair Value.

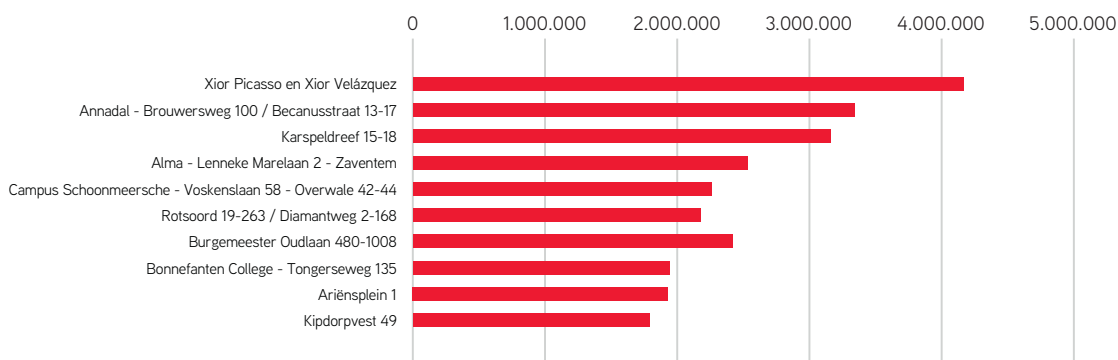


Table: Top 10 Total Rent

With a total amount of EUR 4,171,969, the site located in Madrid, Xior Picasso and Xior Velázquez, is the site that accounts for the largest part of the Total Rent (7.11% of the Total Rent) of the property portfolio. The properties on Brouwersweg, Maastricht and Karspeldreef, Amsterdam complete the top three of the biggest properties in the property portfolio in terms of Total Rent. They represent 5.71% and 5.39% of the property portfolio's Total Rent, respectively. The other 96 properties account for 81.79% of the property portfolio's Total Rent.

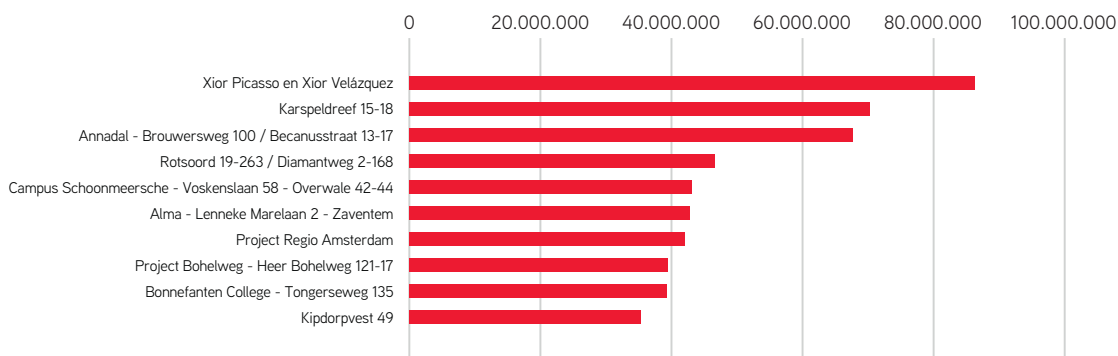


Table: Top 10 Fair value

With a total amount of EUR 86,469,500, the site located in Madrid, Xior Picasso and Xior Velázquez, is the site that accounts for the largest part of the Fair Value of the property portfolio. It accounts for 6.73% of the property portfolio's total Fair Value. The properties on Karspeldreef, Amsterdam and Brouwersweg, Maastricht complete the top three of the biggest properties of the property portfolio in terms of Fair Value. They represent 5.48% and 5.28% of the property portfolio's total Fair Value, respectively.

8.2.2.7 Diversification of average contract maturity

The following table provides a breakdown of the Rental Income maturities. As Xior rents out student rooms, most contracts are concluded for a one-year period. These leases must be renewed with the students every year.

Term of the leases ²⁶	Rental Income (iii)
1 year	47,898,571
Between 1 and 5 years	2,880,199
More than 5 years	6,048,563

The average term of the contracts is not included, since this is generally of little or no informative value in view of the short-term nature of student housing contracts.

For a description of the other contracts, please refer to *Chapter 10.9.1 of this Annual Report*.

8.2.2.8 Diversification of average room price

The rent of the different rooms depends on several factors, including geographic location (Ghent and Leuven are more expensive than Mechelen, for example), the building's specific location (in terms of distance to the college or university, for example), the location of units within the property itself (for example, street view, first floor or eighth floor), the surface area and level of comfort. Although all buildings meet the minimum quality standards, each building may still show differences in relative age, quality, finish, facilities in common areas and so on, which may be reflected in the price of a particular room.

For Belgium and the Netherlands, the average room price is approximately EUR 300 for a standard room (without private facilities), EUR 395 for a room with a private bathroom, and EUR 550 for a studio. However, these average prices are not very meaningful as the room prices tend to be affected by the above parameters (geographical differences in particular).

For Spain, the prices are far apart because there are also double rooms for rent. The prices are around EUR 850 per month for a studio without catering. The prices including catering vary between EUR 1,250 and EUR 1,548 per month. In Spain, extra services, such as linen, room cleaning, half board or full board, are always provided to students. The fee for these services is included in the rental price.

²⁶ This table is different from the table contained in Chapter 10.9.1. The table in 10.9.1 is based on the rent realised in the 2019 financial year, whereas this table is based on the tenancy schedule as at 31 December 2019 in terms of Total Rent.

8.2.2.9 Diversification in terms of building age

To calculate the age of the properties in the portfolio, we use the year of construction or the date the building was last renovated. The following intervals are used for age category diversification:

- 0 to 3 years
- 3 to 6 years
- 6 to 9 years
- Older than 9 years



In other words, the portfolio is relatively young.

8.2.3 DESCRIPTION OF THE BUILDINGS OF THE PROPERTY PORTFOLIO

8.2.3.1 Description of the buildings of the property portfolio excl. pipeline

The various properties in the property portfolio are described below.



1

RETAIL UNIT

FRANKRIJKLEI 60

ANTWERP

Lettable floor area 335 m²

Year of construction or refurbishment Renovated in 2013

Specific details This building is a retail building.

Ownership structure Co-ownership

The ground floor belongs to Xior. It makes up 11.41% of the co-ownership.

This retail space is located on the Leien thoroughfare in Antwerp in the immediate vicinity of Meir and Hopland.



1

RETAIL UNIT

FRANKRIJKLEI 70

ANTWERP

Lettable floor area 65 m²

Year of construction or refurbishment Renovated in 2015

Specific details This building is a retail building adjacent to the building located at Kipdorpest 49.

Ownership structure Co-ownership.

The ground floor belongs to Xior. It makes up 5.2% of the co-ownership.

This retail space is located on the Leien thoroughfare in Antwerp in the immediate vicinity of Meir and Hopland.



20

ROOMS

ITALIËLEI 80-82

ANTWERP

Year of construction or refurbishment Renovated in 2012

Ownership structure Full ownership

This student residence is located on the Leien thoroughfare in Antwerp in the immediate vicinity of the City Campus and Park Spoor Noord Campus.



40

PARKING BAYS

KIPDORPEST 40-42

ANTWERP

Year of construction or refurbishment NA

Ownership structure Co-ownership

The parking bays constitute 14.8% of the co-ownership.

The property is located in the centre of Antwerp between the Meir and Hopland shopping streets. It consists of 40 parking bays in a parking garage.



207
ROOMS



1
RETAIL UNIT

KIPDORPVEST 49

ANTWERP

Lettable retail area 1,932 m²

Year of construction or refurbishment Renovated in 2013

Ownership structure Title – long-term lease.

Subsoil is held by Stubis BVBA.

This student residence with its ground-floor retail area is located in the centre of Antwerp within walking distance of the central station and Meir, the main shopping street. It consists of 207 student units on the upper floors and a retail space on the ground/basement floors. The students have access to various facilities, such as a pool table, inner courtyard, multimedia room, study areas and so on under the supervision of a live-in student coach.



40
ROOMS

VIADUCTDAM 104

ANTWERP

Year of construction or refurbishment Renovated in 2015

Ownership structure Full ownership

This student residence is located in the immediate vicinity of the new campus (Park Spoor Noord) of the Artesis Plantin University College in Antwerp.

KLAPDORP 4-6

ANTWERP



22
ROOMS

Year of construction or refurbishment 2011

Ownership structure Full ownership

This student residence is located in the centre of Antwerp close to the City Campus of the University of Antwerp and the Royal Academy of Fine Arts Antwerp. The 'Gulden Arent' residence is a partial renovation with a new section.



ALMA - LENNEKE MARENLAAN 2 BRUSSELS (ZAVENTEM)



240
STUDENT UNITS



99
ROOMS



3
RETAIL UNITS

Year of construction	2019
Ownership structure	Full ownership

Redevelopment of an office building into a complex of 240 self-contained studios and a student flat hotel with 99 'Roxi'-units based on a design by architectural firm Jaspers-Eyers. Retail activities (such as a neighbourhood supermarket, a sushi bar, a laundry service and a trendy restaurant) are located on the ground floor. A third-party investor owns the underground car park. The building was delivered at the start of the academic year 2019-2020.





 **16**
ROOMS

KRUITMOLENSTRAAT 43 BRUSSELS

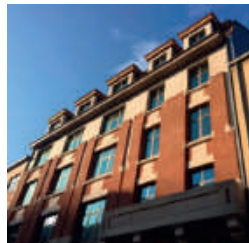
Year of construction or
refurbishment

Currently being renovated

Ownership structure

Full ownership

This student property is situated along the Brussels inner ring road and within walking distance of Brussels-Midi train station.



 **30**
ROOMS

LAKENSESTRAAT 157/159 AND LADDERSTRAAT 6, 14 KVS I

BRUSSELS

Year of construction or
refurbishment

2017

Ownership structure

Co-ownership

23.5% co-ownership

The building has 30 student units with their own bathrooms and is located in the heart of the capital, surrounded by various public transport facilities within walking distance (Brussels-North railway station, tram/bus/subway stops) and close to several education institutions (for example, Vlerick Business School, Odisee Campus and Université Saint-Louis). The buildings were taken into use in the academic year of 2017/2018. The building is located opposite the KVS II student property.



 **39**
ROOMS

SINT-JAN NEPOMUCENUS- STRAAT 32-34, LADDERSTRAAT 15-19 AND LADDERSTRAAT 11-13 KVS II

BRUSSELS

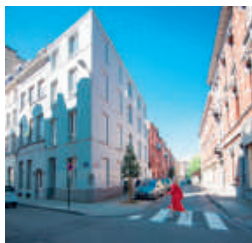
Year of construction or
refurbishment

2017

Ownership structure

KVS II is fully owned by Xior despite the formal co-ownership structure in place.

The building has 39 individual student units with their own kitchenettes and bathrooms (shower, toilet and sink) and is located in the heart of the capital, surrounded by various public transport facilities within walking distance (Brussels-North railway station, tram/bus/subway stops) and close to several education institutions (for example, Vlerick Business School, Odisee Campus and Université Saint-Louis). The buildings were taken into use in the academic year of 2017/2018. The building is located opposite the KVS I student property.



 **16**
ROOMS

NIEUWBRUG 16 BRUSSELS

Year of construction or
refurbishment

Renovated in 2006, will be
renovated in 2020

Ownership structure

Full ownership

This student property is situated in the centre of Brussels not far from the KVS buildings (see below, Lakensestraat Brussels).



 **118**
ROOMS

OUDERGEMLAAN 269-275 BRUSSELS

Year of construction or
refurbishment

2018

Ownership structure

Full ownership

The property on Oudergemlaan in Etterbeek was converted into a complex of 118 independent studios with own bathroom and kitchenette and six parking spaces based on a design by architectural firm Jaspers-Eyers. The building was taken into use in September 2018. The building contains communal recreation areas.



 **91**
ROOMS

WOODSKOT - CAMUSEL- STRAAT 30, 32, 34 BRUSSELS

Year of construction or
refurbishment

2019

Ownership structure

Full ownership

This concerns a development project in the centre of Brussels. Furthermore, the property offers a mix of studios and student rooms with shared facilities in order to complement the range that is already in the portfolio. The complex has a wooden frame in line with Xior's sustainability objectives. This building was completed in September 2019.



 **83**
ROOMS

CAMPUS BXL - BRUS- SELSE POORTSTRAAT 89 GHENT

Year of construction or
refurbishment

2016

Ownership structure

Full ownership

This student residence is located in the centre of Ghent adjacent to the Artevelde University College. "Campus BXL" consists of two separate buildings with a large communal living area and kitchen that opens onto an atrium and pleasant garden. This new complex was completed in the spring of 2016 and offers accommodation to 83 students.

CAMPUS SCHOONMEERSCHE VOSKENS LAAN 58 OVERWALE 42-44 GHENT



490
ROOMS



1
OFFICE

Year of construction or refurbishment

2016

Ownership structure

Full ownership

This student residence is close to Ghent station with direct access to the Schoonmeersche campus of the HoGent University College. The Schoonmeersche campus was completed in September 2016 and comprises 490 units consisting of 5 connected buildings with all the modern facilities that students need nowadays.

In 2016, a long-term rental contract was entered into with HoGent for 20 years for 318 of the 490 units. The building has a live-in student coadh





HOOGSTRAAT 33/37 GHENT

Year of construction or
refurbishment

Renovated in 2015

Ownership structure

Full ownership

This student residence is located in the centre of Ghent and was re-designated as student housing in 2015. This stately residence with its beautiful and authentic facade has 30 units and dates back to the second half of the 16th century.



OUDE BEESTENMARKT 11/ ZILVERENBERG 16 GHENT

Year of construction or
refurbishment

Currently in renovation

Ownership structure

Full ownership

This student residence is located in the centre of Ghent at the recently refurbished Oude Beestenmarkt and the Vlerick Business School.



BAGATTENSTRAAT - ROZENDAALKEN GHENT

Year of construction or
refurbishment

N/A

Specific details

Development land

Ownership structure

Full ownership

Development land at a prime location in the centre of Ghent. Xior aims to develop a quality student property there.



SINT-PIETERSNIEUW- STRAAT 186 / GUSTAAF MAGNELSTRAAT 13A GHENT

Year of construction or
refurbishment

Renovated in 2019

Ownership structure

Full ownership

This student residence is located in the centre of Ghent, close to the Vooruit arts centre and the well-known Overpoort student district. The residence has 38 units and consists of two buildings with a courtyard.



UNIVERSITEITSSTRAAT 13 13 O'CLOCK HOSTEL

GHENT

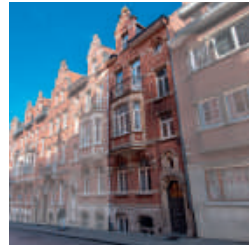
Year of construction or refurbishment Renovated in 2013

Specific details This building is a hostel.

Ownership structure Co-ownership.

The hostel makes up 28.76% of the co-ownership.

The residence is sited directly opposite the law school campus of the University of Ghent and close to the Kouter square.



ARENDSTRAAT 11

LEUVEN

Year of construction or refurbishment Renovated in 2017

Ownership structure Full ownership

This student residence is located in the centre of Leuven, in a side street off the Ladeuzeplein. It was completely renovated in 2017 and meets the Xior standards for student comfort.



BOGAARDENSTRAAT 11

LEUVEN

Year of construction or refurbishment Renovated in 2014

Ownership structure Full ownership

This student residence is located in the centre of Leuven, just a stone's throw from the Ladeuzeplein. This building was fully renovated in 2014 and has a small garden with a covered terrace. Thanks to its central location, this residence is the perfect environment for any student.



BONDGENOTENLAAN 74

LEUVEN

Lettable retail floor area 566m²

Year of construction or refurbishment 2017

Specific details There is a commercial business on the ground floor of this building.

Ownership structure Full ownership

This student property with a ground floor used for retail is located on Leuven's main shopping street, which links the station to the city centre. A 566m² retail space was created on the ground floor and in the basement. The four student units on the upper floors were fully converted in 2017 and now accommodate 18 students.



 **24**
ROOMS

 **1**
RETAIL UNIT

BRUSSELSESTRAAT 182/184 LEUVEN

Lettable retail floor area 470m²

Year of construction or refurbishment Renovated in 2015

Specific details

There is a commercial business on the ground floor of this building.

Ownership structure Co-ownership

Co-ownership, with 70% owned by Xior.

The property is located in the centre of Leuven near Gasthuisberg University Hospital. 'Residentie Verbrande Poort' was renovated and delivered in September 2015. All the rooms are finished in a minimalist style with an eye for detail. There is a retail space on the ground floor.



 **17**
ROOMS

BRUSSELSESTRAAT 242 LEUVEN

Year of construction or refurbishment Renovated in 2014

Ownership structure Full ownership

This student residence is located in the centre of Leuven. 'Residence 't Kolenhuis' is perfectly situated for students who need to go to UZ Gasthuisberg every day.



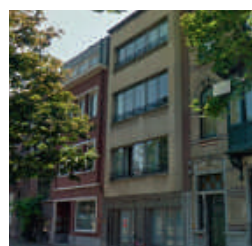
 **8**
ROOMS

BRUSSELSESTRAAT 244 LEUVEN

Year of construction or refurbishment Renovated in 2019

Ownership structure Full ownership

This student residence with 8 rooms is located in the centre of Leuven, close to the Gasthuisberg University Hospital.



 **14**
ROOMS

DIESTSEVEST 85 LEUVEN

Year of construction or refurbishment Renovated in 2019

Ownership structure Full ownership

This student residence is located on the Leuven ring road, within walking distance of the station. Students have the use of a large city garden.



14
ROOMS

FREDERIK LINTSSTRAAT 9 LEUVEN

Year of construction or
refurbishment

Renovated in 2009

Ownership structure

Full ownership

This student residence is located in the centre of Leuven near the Faculty of Economics and Business Studies and Groep T.



37
ROOMS

FREDERIK LINTSSTRAAT 148-150 LEUVEN

Year of construction or
refurbishment

Renovated in 2009

Ownership structure

Full ownership

This student residence is located in the centre of Leuven, close to Groep T and the Faculty of Economics and Business Studies. The former monastery of the White Fathers was fully renovated and extended with a new building in 2009. The site was converted into a modern student complex consisting of 37 units with a courtyard meeting place and a large terrace.



15
ROOMS

IERSE PREDIKHEREN- STRAAT 17-19 LEUVEN

Year of construction or
refurbishment

Renovated in 2015

Ownership structure

Full ownership

This student residence is located in the centre of Leuven, close to the Gasthuisberg University Hospital.



160
ROOMS

JANSENIUSSTRAAT 38 LEUVEN

Year of construction or
refurbishment

Renovated in 2013-2015

Ownership structure

Full ownership

This student residence is located in the centre of Leuven. The former 'Regina Mundi' convent was renovated in 1962 and then converted into a girls' school. The conversion and change of use to a student residence took place in 1995, and it was totally renovated again between 2013 and 2015. The property consists of a square building with two side wings opening onto a large courtyard, with 160 student units, an in-house breakfast service and live-in student coach.



 **10**
ROOMS

JUSTUS LIPSIUSSTRAAT 9 LEUVEN

Year of construction or
refurbishment

Renovated in 2014

Ownership structure

Full ownership

This student residence is located in the centre of Leuven, in a side street off the Bondgenotenlaan. With 10 units, 'Residence Justus' is only a 5 minute walk from the station. It was renovated in 2014.



 **8**
ROOMS

KAPUCIJNENVOER 34 LEUVEN

Year of construction or
refurbishment

Renovated in 2015

Ownership structure

Full ownership

This student residence is located in the centre of Leuven near the Botanical Gardens, and consists of 8 studio apartments.



 **21**
ROOMS

MECHELSESTRAAT 77 LEUVEN

Year of construction or
refurbishment

Renovated in 2015

Ownership structure

Full ownership

This student residence is located in the centre of Leuven near the picturesque Vismarkt. With its central yet peaceful location, this residence is a real find for any student. Residence 'Malines' was renovated and delivered at the start of the academic year 2015-2016.



 **33**
ROOMS

MINDERBROEDERSTRAAT 19 LEUVEN

Year of construction or
refurbishment

Renovated in 2014-2015

Ownership structure

Full ownership

This is a building adjacent to the building located at Minderbroedersstraat 21. The student residence, consisting of 33 units, is located in the centre of Leuven and was built in 2013. The residents have the use of a covered terrace and a courtyard.



127
ROOMS

MINDERBROEDERS- STRAAT 21

LEUVEN

**Year of construction or
refurbishment**

Renovated in 2013

Specific details

This is a building adjacent
to the building located at
Minderbroedersstraat 19.

Ownership structure

Full ownership

This student residence is located in the centre of Leuven. This former monastery of 'The Good Shepherd' was built in 1782 and completely remodelled in 1995 into a quality student residence with 127 units. Behind the building is a garden with parking spaces.



3
PARKING BAYS

NAAMSESTRAAT 58-60

LEUVEN

**Year of construction or
refurbishment**

2015

Ownership structure

Co-ownership.

The parking bays constitute 2.28% of the co-ownership.

These parking bays are situated in the centre of Leuven and are mainly used by the own rental team.



72
ROOMS

PARKSTRAAT 137

LEUVEN

**Year of construction or
refurbishment**

Renovated in 2017

Ownership structure

Full ownership

This student residence with 72 units is in the centre of Leuven, close to the various campuses of the University of Leuven. 'Residence Vinckebosch' was built in the early 1990s and completely updated in 2017. The communal areas were recently redecorated by a number of well-known graffiti artists. The students can also make use of the garden.



16
ROOMS



1
APPARTMENT

RAVENSTRAAT 40

LEUVEN

**Year of construction or
refurbishment**

Renovated in 2018

Ownership structure

Full ownership

The residence is located in the centre of Leuven, in the immediate vicinity of Ladeuzeplein and its world-famous library where students can study in peace and quiet.



13
ROOMS

SINT-ANNASTRAAT 13 LEUVEN

Year of construction or
refurbishment

Renovated in 2014

Ownership structure

Full ownership

This student residence is in the heart of Leuven, close to the Oude Markt, and consists of 13 units.



14
ROOMS

STRIJDEERSSTRAAT 66 LEUVEN

Year of construction or
refurbishment

Renovated in 2010

Ownership structure

Co-ownership.

The 14 rooms that belong to Xior make up 6.9% of the co-ownership.

This student residence is located in the centre of Leuven, close to the new Tweewaters district of the city. These 14 units are situated on the ground floor of the 'Cambridge' residence.

STUDAX - MARTELARENLAAN 40 LEUVEN



292
ROOMS

Year of construction or reno-
vation

2016

Ownership structure

Full ownership

This student residence, better known as 'Studax', is located at Leuven train station in the completely redeveloped 'Kop van Kessel-Lo' within walking distance of the centre of Leuven. There is direct access to the train station's platforms, while the residents of this student accommodation can easily get to the university (KU Leuven) and a wide range of city facilities (shops, the entertainment district and more) on foot, by bicycle or by bus. The residence comprises 292 rooms and various communal facilities.





39
ROOMS

TIENSESTRAAT 184/186 WINDMOLENVELDSTRAAT 86/88

LEUVEN

Year of construction or
refurbishment

Renovated in 2011

Ownership structure

Full ownership

This student residence is located in the centre of Leuven, close to Groep T. The renovated site includes a new building, 39 units, a cosy little garden and BBQ.



10
ROOMS

TIENSESTRAAT 251

LEUVEN

Year of construction or
refurbishment

Renovated in 2012

Ownership structure

Full ownership

This student residence is located in the centre of Leuven, within walking distance of Groep T and other faculties. This building is known as 'Residentie Timidus' and contains 10 fully renovated units. The students have the use of a small inner courtyard.



17
ROOMS



4
APARTMENTS

TIENSESTRAAT 274 - WIND- MOLENVELDSTRAAT 2-4

LEUVEN

Year of construction or
refurbishment

Renovated in 2018

Ownership structure

Co-ownership.

The share that belongs to Xior accounts for 50.7% of the co-ownership.

This building is situated in a prime location. The building has 17 student rooms and four apartments.



29
ROOMS

VLAMINGENSTRAAT 91 PARKSTRAAT 11

LEUVEN

Year of construction or
refurbishment

Renovated in 2018-2019

Ownership structure

Full ownership

This student residence in the centre of Leuven was recently redecorated. This residence is located next to the Vlerick Business School and looks out over the City Park.



15
ROOMS

ONTVOERINGSPLEIN 6 MECHELEN

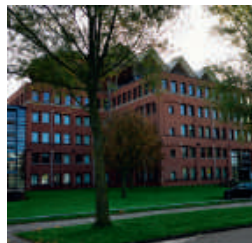
Year of construction or
refurbishment

Renovated in 2013

Ownership structure

Co-ownership.

This student residence is situated on Nekkerspoelstation in Mechelen, close to the Thomas More University College. It has 15 units on the ground floor.



300
ROOMS
(anticipated)

PROJECT AMSTELVEEN – PROF. W.H. KEESOMLAAN 6-10 AMSTELVEEN

Completion expected

2022

Ownership structure

Full ownership

This office complex development project consists of three towers the Company intends to convert after it has obtained the required permits. After the proposed redevelopment, this complex will have approximately 300 student units. The complex is situated next to the Uilenstede student campus, has direct public transport connections to the centre of Amsterdam and is within cycling distance of Vrije Universiteit Amsterdam.

PROJECT REGIO AMSTERDAM AMSTELVEEN

Completion expected

2022

Ownership structure

Full ownership



88
ROOMS

BARAJASWEG 60-70 AMSTERDAM

Year of construction or
refurbishment

2018

Ownership structure

Ground lease

This building is one of the three buildings located at Naritaweg in Amsterdam. The buildings were completed in 2018 and have a total of 247 units ranging from 23 m² to 52 m² with 94 parking spaces. The site is located near public transport and is undergoing a comprehensive upgrade through various redevelopment projects, making sure to provide sufficient green spaces as well. The buildings provide a range of options for students and young starters.



 **320**
ROOMS

KARSPELDREEF 15-18 AMSTERDAM

Year of construction

2019

This site, which has a long-term lease, is located on Karspeldreef, near Amsterdam Bijlmer Arena Station. This building was redeveloped to a total of 320 self-contained student units on this site. This office building conversion project consists of 6 connected buildings, each with its own facilities (such as an elevator). The building also has 170 parking spaces.



 **73**
ROOMS

NARITAWEG 139-149 AMSTERDAM

Year of construction or
refurbishment

2018

Ownership structure

Ground lease

This building is one of the three buildings located at Naritaweg in Amsterdam. The buildings were completed in 2018 and have a total of 247 units ranging from 23 m² to 52 m² with 94 parking spaces. The site is located near public transport and is undergoing a comprehensive upgrade through various redevelopment projects, making sure to provide sufficient green spaces as well. The buildings provide a range of options for students and young starters.



 **86**
ROOMS

NARITAWEG 151-161 AMSTERDAM

Year of construction or
refurbishment

2018

Ownership structure

Ground lease

This building is one of the three buildings located at Naritaweg in Amsterdam. The buildings were completed in 2018 and have a total of 247 units ranging from 23 m² to 52 m² with 94 parking spaces. The site is located near public transport and is undergoing a comprehensive upgrade through various redevelopment projects, making sure to provide sufficient green spaces as well. The buildings provide a range of options for students and young starters.



 **60**
ROOMS

TRAMSINGEL 21 BREDA

Year of construction or
refurbishment

2015

Ownership structure

Full ownership

This fully renovated student complex consists of 60 student units that are not self-contained. The property is within walking distance of the central station and city centre and various educational institutions. The property is only a few paces from the property at Tramsingel 27. The two properties therefore complement each other for the students.

TRAMSINGEL 27

BREDA



122
ROOMS

Year of construction or refurbishment

2016

Ownership structure

Full ownership

This fully renovated student complex consists of 60 student units that are not self-contained. The property is within walking distance of the central station and city centre and various educational institutions. The property is only a few paces from the property at Tramsingel 27. The two properties therefore complement each other for the students.



44
ROOMS



1
CATERING
FACILITY

VISMARKT KRAANSTRAAT 1 EN 5

BREDA

Lettable retail floor area

628m² catering facility

Year of construction or refurbishment

Renovated in 2015

Ownership structure

Full ownership

This impressive residence is located in the vibrant city centre, a stone's throw from Breda castle. The residence has 44 units and a large basement with a bar and table football. There is a catering facility on the ground floor and in the basement.



118
ROOMS

ANTONIA VEERSTRAAT 1-15

DELFT

Year of construction or refurbishment

2017

Ownership structure

Full ownership

The property consists of 118 units. It is partly new construction and partly redevelopment.



108
ROOMS

BARBARASTEEG 2

DELFT

Year of construction or
refurbishment

2016

Ownership structure

Full ownership

This property is a redeveloped real estate project consisting of 108 brand-new independent furnished units. It is situated in a premium location in the centre of Delft, near the station and close to Delft University of Technology, which has more than 20,000 students.



91
ROOMS

PHOENIXSTRAAT 16

DELFT

Year of construction or
refurbishment

2018

Ownership structure

Full ownership

This is a redeveloped office building that Xior acquired from the Municipality of Delft in 2017, located at Phoenixstraat 16 in Delft. This post-modernist building was designed by the well-known architect Jo Coenen and is characterised by the atrium structure of the circular 'drum' running all the way down to the ground floor. This property is situated in a premium location in Delft at only a stone's throw from the student property on Barbarasteeg near Delft station in an area currently undergoing extensive redevelopment.



64
ROOMS

EISENHOWERLAAN 146

THE HAGUE

Year of construction or
refurbishment

Renovated in 2014

Ownership structure

Full ownership

This student residence is located in The Hague's popular Statenkwartier, opposite the International Criminal Tribunal for former Yugoslavia (ICTY) and midway between the centre of the city and Scheveningen. The 64 self-contained units are equipped with all modern-day comforts and were completed in October 2014. Students have the use of various recreational spaces and TV rooms. The property is one of three residential towers next to each other on Eisenhowerlaan. There are also 18 parking bays.



64
ROOMS

EISENHOWERLAAN 148

THE HAGUE

Year of construction or
refurbishment

Renovated in 2014

Ownership structure

Full ownership

This student residence is located in The Hague's popular Statenkwartier, opposite the International Criminal Tribunal for former Yugoslavia (ICTY) and midway between the centre of the city and Scheveningen. The 64 self-contained units are equipped with all modern-day comforts and were completed at the end of 2014. Students have the use of various recreational spaces and TV rooms. The property is one of three residential towers next to each other on Eisenhowerlaan. There are also 18 parking bays.



68
ROOMS

EISENHOWERLAAN 150 THE HAGUE

Year of construction or
refurbishment

Renovated in 2015

Ownership structure

Full ownership

This student residence is located in The Hague's popular Statenviertel, opposite the International Criminal Tribunal for former Yugoslavia (ICTY) and midway between the centre of the city and Scheveningen. Several trams with direct links to various colleges, the city centre and the beach operate on Eisenhowerlaan. The 68 non self-contained units with shared facilities are equipped with all modern-day comforts and were completed in March 2015. The property is one of three residential towers next to each other on Eisenhowerlaan. There are also 18 parking bays.



72
ROOMS

WALDORPSTRAAT 600-742 THE HAGUE

Year of construction or
refurbishment

2017

Ownership structure

Perpetual lease

This property looks like a single structure, but actually consists of two completely separate buildings. The property consists of 72 self-contained studio apartments each with their own balcony.



139
ROOMS
(anticipated)



3
RETAIL UNITS

PROJECT BURGVAL - LUTHERSE BURGVAL 10 THE HAGUE

Completion expected

2020

Ownership structure

Full ownership

This property is part of a Xior office building redevelopment project resulting in 139 student units. The property in The Hague is located on Lutherse Burgwal, which is the road connecting the existing properties on Eisenhowerlaan and Waldorpstraat. This makes it a suitable complement to the existing properties.



95
ROOMS

THE SPOT KRONEHOEF- STRAAT 1-11F EINDHOVEN

Year of construction or
refurbishment

2016

Ownership structure

Full ownership

This student complex is known as 'The Spot' and has 95 self-contained units. The student complex comes equipped with a range of features, including a digital key system, high-speed internet connection and digital television signal, camera system and so on. The students are free to use the common areas, such as a bike shed, shared indoor spaces and a laundry room. The property is close to Eindhoven University of Technology and the train stations in Eindhoven.



273
ROOMS



2
EDUCATIONAL
FACILITIES

ARIËNSPLEIN 1-163 ENSCHDEDE

Year of construction or
refurbishment

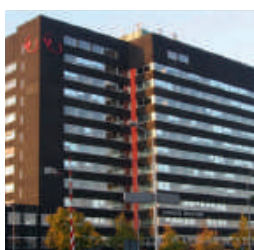
2018/2019

Ownership structure

Co-ownership.

The share that belongs to Xior accounts for 32.66% of the co-ownership.

This complex consists of 273 student rooms (166 self-contained units and 107 non self-contained units), in the former hospital building located at Ariënsplein. Besides the student rooms, the transaction also includes two education facilities. The non self-contained units and one education facility have already been rented out to educational institution Saxion in the long term (10 years and 8 years, respectively). The site is ideally located in Enschede, close to the city centre and public transport connections.



225
ROOMS
(anticipated)

PROJECT EENDRACHTS- KADE

GRONINGEN

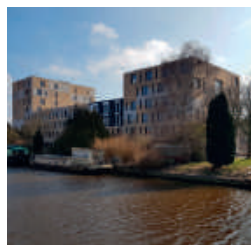
Expected completion

2020

Ownership structure

Full ownership

The site known as 'Zwarte Doos' will be developed into a multifunctional project with at least 225 rooms and 180 parking spaces. Located at Eendrachtsskade 2, the project is in a prime location near the centre of Groningen within walking distance of various universities and colleges.



180
ROOMS

OOSTERHAMRIKKADE 103-105-107

Year of construction or
refurbishment

2018

Ownership structure

Full ownership

This new student complex is located at Oosterhamrikkade in Groningen. The complex consists of 180 independent student units with an average surface area of 31.8 m² and communal areas such as indoor bicycle parking facilities and a common outdoor space.



82
ROOMS



1
RETAIL UNIT

THE BLOCK - TESSEL- SCHADESTRAAT 7-19B

LEEWARDEN

Year of construction or
refurbishment

2016

Ownership structure

Full ownership

This recently converted office building is known as 'The Block' and is fully equipped with features including a digital key system, high-speed Internet connection and digital television signal, camera system and so on. The students have access to a dedicated indoor storage space and shared facilities such as a bike shed and laundry room. The building also contains a commercial space on a long-term lease. The complex is located close to the city centre, with good connections to main roads and public transport. Central Station and the bustling city centre are both within walking distance. Likewise, Leeuwarden's various educational institutions can also be reached quickly by bike.



134
ROOMS

CAMPUS VERBEEK- VERBEEKSTRAAT 11-29

LEIDEN

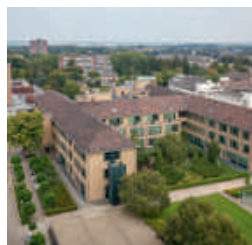
Year of construction or
refurbishment

2016

Ownership structure

Perpetual lease

This student complex was completed in 2016 after the full redevelopment of an office property. Verbeekstraat Campus consists of 134 self-contained units on Verbeekstraat and Plesmanlaan in Leiden. The land has been allocated under a perpetual ground lease acquired until 2057. The student complex has two common roof terraces, a common room, washing and drying facilities and two bicycle areas that can be locked. It has 107 parking spaces and 42 external storage areas.



723
ROOMS



37
RETAIL UNITS

ANNADAL-SITE BROUWERS- WEG 100 & BECANUS- STRAAT 13-17

MAASTRICHT

Year of construction or
refurbishment

2017-2019

Ownership structure

Full ownership

This site of 6.6 hectares in total consists of several buildings that have been converted into 723 non self-contained student units that have been made available to Maastricht University and Stichting Studenten Huisvesting via long-term leases, which they in turn rent to students. The site also includes healthcare and office spaces that are rented to UM and various care institutions and medical/paramedical professionals, as well as basketball and tennis courts, ample parking facilities and a bicycle shed and various green areas. The complex is located in the Brussels Port district, with good connections to main roads and public transport. The UM campus is nearby and is easily accessible by bicycle, as is the city centre.

BONNEFANTEN COLLEGE - TONGERSEWEG 135

MAASTRICHT



257
ROOMS

Year of construction or refurbishment

2019

Ownership structure

Full ownership

This former monastery is a registered national monument and was redeveloped into a student complex with 257 self-contained student rooms and shared facilities. The property is located at Tongerseweg, near Xior's other student accommodation monument in Maastricht, the Carré building.





143
ROOMS



5
RETAIL UNITS

CARRÉ - TONGERSEWEG 55-57 MAASTRICHT

Year of construction or refurbishment 2016

Ownership structure Fully owned

This listed building is located in the centre of Maastricht close to various institutions of education. It accommodates 143 students and also has shared facilities. There are five retail spaces with long-term leases on the ground floor.



135
ROOMS



1
RETAIL UNIT

VIJVERDALSEWEG 2 MAASTRICHT

Year of construction or refurbishment Renovated in 2018

Ownership structure Full ownership

This student residence is located in the neighbourhood of the academic hospital and is let mainly to international students. Medium-term contracts were concluded with various educational institutions for more than half of the available units.



23
ROOMS

WYCKER GRACHTSTRAAT 2-2A MAASTRICHT

Year of construction or refurbishment 2016

Ownership structure Full ownership

The student residence is close to the centre of Maastricht and a stone's throw from the river Maas. This women's refuge was converted into student housing.



280
ROOMS

BURGEMEESTER OUDLAAN 480-1008 ROTTERDAM

Year of construction or refurbishment 2017

Ownership structure Full ownership

The building consists of 280 independent student units between 20 m² and 39 m² on eight floors as well as common areas such as a bicycle area and roof terrace. The property is in a prime location at the Erasmus University Rotterdam campus in this bustling city.



350
ROOMS
(anticipated)

PROJECT BOKELWEG – HEER BOKELWEG 121-171 ROTTERDAM

Completion expected 2021

Ownership structure Full ownership

The property is located 200 m from Rotterdam central station in the centre of this student city. The Company plans to develop about 350 units in this property as the perfect complement to the Woudestein Campus student complex (Erasmus University). Completion is planned in September 2021.



17
ROOMS

ENSCHOTSESTRAAT 78-84 TILBURG

Year of construction or refurbishment Renovated in 2005

Ownership structure Full ownership

This student residence is in the centre of Tilburg and includes 17 units.



21
ROOMS

KAPELHOF 31 HEULVELSTRAAT 126 TILBURG

Year of construction or refurbishment Renovated in 2006

Ownership structure Co-ownership.

The rooms that belong to Xior make up 50% of the co-ownership.

This historic student residence is located in the heart of central Tilburg. It is a historic site with 21 student units on 3 floors, and an opportunity to expand on the roof. The ground floor is not owned by Xior.



14
ROOMS



2
OFFICE SPACES

KORENBLOEMSTRAAT 42– 44A TILBURG

Lettable retail floor area 140m²

Year of construction or refurbishment Renovated in 2004

Specific details There is a retail space on the ground floor of this building.

Ownership structure Full ownership

These two residences with 14 rooms are located in a residential district of Tilburg. The office spaces are intended for independent professional activities.



9
ROOMS



1
RETAIL UNIT

MARIASTRAAT 27A/B/C NIEUWLANDSTRAAT 14

TILBURG

Lettable retail floor area 140 m²

Year of construction or refurbishment Renovated in 2014

Specific details There is a retail space on the ground floor of this building.

Ownership structure Full ownership

This residence is located on one of Tilburg's main shopping streets and has three units, each with three rooms on the upper floors. The ground floor is let as a shop.



11
ROOMS



1
CATERING
FACILITY

NIEUWLANDSTRAAT 1/1A TILBURG

Lettable retail floor area 146m² catering facility

Year of construction or refurbishment Renovated in 2014

Specific details There is a catering facility on the ground floor of this building.

Ownership structure Full ownership

This residence is located in the centre of Tilburg and includes a ground-floor catering facility with student units above it, which are rented through a local student association.

ROTSOORD 16-263 / DIAMANTWEG 2-168 UTRECHT

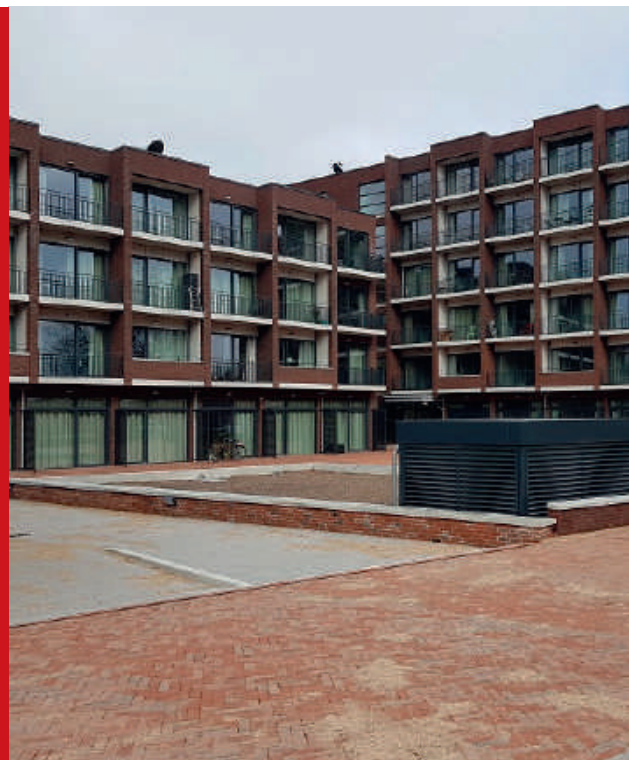


206
ROOMS

Year of construction or refurbishment 2018

Ownership structure Full ownership

The student site on Rotsoord was completed in 2018 with a total of 206 self-contained student units in two buildings. The residential spaces will be complemented by a wide range of (commercial) activities, such as restaurants, education and small businesses. The complex will also offer parking facilities. The site is located near the Utrecht Vaartsche Rijn train, bus and tram station.





1
COMMERCIAL
UNIT

ROTSOORD KLOPGEBOUW ROTSOORD 19-263 / DIAMANTWEG 2-168

UTRECHT

Year of construction or
refurbishment

2019

Ownership structure

Full ownership

At the Rotsoord student site, you will find the 'Klopgebouw', which will be renovated in the classical style. The building will have a commercial purpose, and will therefore contribute to the atmosphere and liveliness of the site.



134
ROOMS

THE HIVE, WILLEM DREESLAAN 113

UTRECHT

Year of construction or
refurbishment

2015

Ownership structure

Full ownership

'The Hive' student property is located near various educational institutions. It consists of 134 non self-contained units and therefore complements the Company's self-contained units in the portfolio mix.



110
ROOMS



1
RETAIL UNIT

THE BANK SPOORSTRAAT 9-229 / KEULSE POORT 12

VENLO

Year of construction or
refurbishment

2017

Ownership structure

Full ownership

The Bank student property consists of 110 self-contained units near Venlo station in the centre of the city. The ground floor is rented out to a financial institution.



56
ROOMS



2
RETAIL UNITS

THE SAFE PEPERSTRAAT 8A1-8C14 / KWIETHEUVEL 51-77

VENLO

Year of construction or
refurbishment

2016

Ownership structure

Full ownership

This property consists of 56 self-contained units and a commercial ground floor, which is partly rented out to a financial institution.

DUIVENDAAL - COSTERWEG 50 WAGENINGEN



179
ROOMS

Year of construction or refurbishment	2019
Ownership structure	Full ownership

The building, known as Duivendaal, is close to the centre and also within easy reach of the educational institutions in Wageningen. The property consists of two four-storey blocks connected by a large glass-covered atrium. It contains an entrance hall and meeting point, both of which promote social cohesion between the residents. The building is surrounded by green space and has bicycle sheds. The seller from whom Xior is acquiring the Duivendaal property will carry out some modifications in order to bring it fully up to standard.



22
ROOMS

METEOGEBOUW - DUIVELDAAL 2 WAGENINGEN

Year of construction or refurbishment	2019
Ownership structure	Full ownership

Adjacent to the Duivendaal building is the historic 'Meteogebouw', which was converted into 22 self-contained units. The site is close to the centre and also within easy reach of the educational institutions in Wageningen.

DIAGONAL BESÒS - RONDA DE SANT RAMÓN DE PENYAFORT 261-269 BARCELONA



191
ROOMS
(251 beds)



1
RETAIL UNIT

Year of construction or renovation

2019

Ownership structure

Concession for 50 years

This brand-new and sustainable residence, located on UPC's new campus, has 191 self-contained rooms and offers all modern facilities, such as an in-house restaurant, a gym, study rooms, a swimming pool and a roof terrace. This residence can be reached very easily by public transport (a tram stop right outside the door) and is within walking distance of the beach, close to Avenida Diagonal and next to Parc del Forùm.





78
ROOMS
(140 beds)

THE LOFTTOWN - CALLE SENECA 24-26

BARCELONA

Year of construction or renovation

2016

Ownership structure

Full ownership

This operational residence, regarded as one of the best student residences in Spain, has 78 units with 140 beds. Students can make use of common areas, such as a restaurant (half and full board), movie room, study rooms, drawing studio with 3D printers, laundry, gym and terraces. It is located in a very convenient location close to the Paseo de Gràcia, one of Barcelona's most important commercial boulevards and within walking distance of several faculty buildings and the old city centre.



200
ROOMS
(anticipated)

PROJECT UEM - CAMPUS UEM/CALLE TAJO S/N

MADRID

Year of construction or renovation

N/A

Ownership structure

Co-ownership

Together with the acquisition of the operational Xior Picasso and Xior Velázquez buildings, this building plot was also acquired on the same campus. A student residence with approximately 200 beds will be developed and will include free use of the on-campus sports facilities. The entire campus, located 25km west of Madrid and well connected by public transport, covers 250,000m² and includes top-notch facilities such as various indoor and outdoor sports facilities (9 tennis courts, 4 paddle courts, football pitches, athletics tracks, indoor and outdoor swimming pool), park and green areas and 1,500 parking spaces.

XIOR PICASSO - XIOR VELÁZQUEZ CALLE TAJO SIN MADRID



464
ROOMS
(528 beds)

Year of construction or renovation

2016

Ownership structure

Co-ownership

This top-quality and operational student residence is on-campus, freehold and offers capacity for 528 students spread across two buildings, each with its own facilities such as a cafeteria, vending machines, restaurant, ICT and study rooms, laundry, theatre/movie room, 24/7 permanence and more. The entire campus, located 25km west of Madrid and well connected by public transport, covers 250,000m² and includes top-notch facilities such as various indoor and outdoor sports facilities (9 tennis courts, 4 paddle courts, football pitches, athletics tracks, indoor and outdoor swimming pool), park and green areas and 1,500 parking spaces.





 **32**
ROOMS

ALAMEDA - AVENIDA ALMIRANTE REIS 178

LISBON

Year of construction or renovation 2015

Ownership structure 15-year lease

U.hub Alameda has been an established name within the Portuguese student landscape for several years now. The historic site with a cosy courtyard comprises 32 self-contained units spread over an area of 865m². The residence is in a prime location, being a 10-minute walk from the Instituto Superior Técnico (IST) and a 2-minute walk from the Alameda metro station.



 **66**
ROOMS

ALVALADE - PRAÇA DE ALVALADE 9

LISBON

Year of construction or renovation 2016

Ownership structure Full ownership

Residence Alvalade has 66 self-contained units and includes a spacious sun terrace with breathtaking city views spread over a total area of 2,442m². Furthermore, the residence is ideally located close to public transport (the Alvalade metro station is within walking distance) and various universities (a 15-minute walk from Cidade Universitaria). Belonging to the same portfolio as Alameda, this is also an established residence in Lisbon and can therefore offer students a wider choice in different locations throughout Lisbon and in different price categories.



 **342**
ROOMS
(anticipated)

PROJECT BENFICA AVENIDA COLÉGIO MILITAR 16

LISBON

Expected completion 2020

Ownership structure Full ownership

The brand-new Project Benfica in Lisbon, with approximately 350 units, is currently under development and is expected to be completed in 2020. It will comprise several communal areas and all the usual amenities and comforts of a contemporary student residence. Project Benfica is ideally located close to public transport (subway) and several universities.



456
ROOMS
(anticipated)

PROJECT SÃO JOÃO - RUA DO BAIRRO DA AREOSA

PORTO

Expected completion 2020

Specific details This involves a building from the U.hub portfolio

Ownership structure Full ownership

Project São João in Porto, with approximately 450 units, is currently under development and is expected to be completed in 2020. Situated in Porto, the project will include a number of communal areas and all the usual amenities and comforts expected of modern student residences. U.hub São João is located on São João, the largest campus in Porto with 35,000 students.



211
ROOMS
(420 beds)
(anticipated)



16
**APPARTE-
MENTS**

PROJECT GRANJO - RUA ANTÓNIO GRANJO 142

PORTO


Expected completion 2021


Ownership structure Full ownership

Project Granjo in Porto is a redevelopment of an existing, fully owned building into a student complex with 211 units (420 beds), 3 parking spaces and 16 residential apartments. The building will also include a laundry, reception, gym, study room and cafeteria. Located in the centre of Porto, the project is within walking distance of the Heroísmo and 24 de Agosto subway stations as well as the faculties.


8.2.3.2 Description of buildings in the pipeline

The various properties in the pipeline are described below (see *Chapter 5.6 of this Annual Report*).





206
ROOMS
(anticipated)




1
RETAIL UNIT

PROJECT RUE MÉLOT

NAMEN

Expected completion	2022
Ownership structure	Full ownership

This project concerns the development of a new student complex with at least 176 self-contained studios and 30 unfurnished rooms with communal areas, based on a design by architectural firm Montois. The complex will also house a retail facility (snack bar), storage for 113 bikes and 2 parking spaces. The residence is ideally located near the Université de Namur and the railway station.



128
ROOMS
(anticipated)

PROJECT COLLBLANC

BARCELONA

Expected completion	2021
Ownership structure	Co-ownership

This project involves the creation of a student residence in Barcelona. The residence will have at least 128 units as well as various communal areas, and will be developed using the blueprint for 'The Lofttown'. The project is currently still in the permit phase. It is located in a triple-A location, close to the university clusters of UPC and UB.



500
ROOMS
(anticipated)

PROJECT BOAVISTA

LISBON

Expected completion 2021

Specific details This involves a building from the U.hub portfolio

Ownership structure Full ownership

Project Boavista concerns the development of a new student complex with approximately 500 units located in Lisbon. The project is still in the permit phase, but is expected to be completed in 2021.



124
ROOMS
(anticipated)
(254 beds)

PROJECT LAMAS

LISBON

Expected completion 2021

Ownership structure Full ownership

Lamas concerns the development, on a fully owned greenfield, of a student residence with 124 units (254 beds) spread over 121 double rooms and 3 apartments and will include a laundry room, gym, study room, cafeteria and reception area. The project is located close to the historic centre of Belém, 200 metres from the University of Lusáda and within walking distance of other educational institutions such as IHMT, the ISA School of Agriculture and the Faculty of Veterinary Medicine.



498
ROOMS
(anticipated)

PROJECT LUMIAR

LISBON

Expected completion 2020

Specific details This involves a building from the U.hub portfolio

Ownership structure Full ownership

Project Lumiar concerns the development of approximately 500 units. The project is currently still in the permit phase, but this is expected in 2020. The site is ideally located close to public transport (subway) and various universities.

8.2.4 APPRAISAL OF THE PROPERTY PORTFOLIO BY VALUATION EXPERTS

8.2.4.1 General

The valuation of the property portfolio was drawn up by Stadim (Belgium and some of the Netherlands), Cushman & Wakefield (Netherlands and Portugal) and CBRE (Spain). The reference date of this appraisal is 31 December 2019.

The valuation process within Xior is based on a structured approach by which the policy on property estimates is determined by the executive management, with approval from the Board of Directors. The executive management will evaluate this policy each year, and check whether independent valuation experts are being appointed for the respective sections of the property portfolio. Contracts will typically be concluded for a renewable three-year period, for which a double rotation obligation applies under the Law on Regulated Real Estate Companies (see Chapter 12.3.1 of this Annual Report). The selection criteria include local market knowledge, reputation, independence and insurance of the highest professional standards. The fees of the valuation experts are fixed for the term of their mandate and are not related to the value of the appraised properties.

The independent valuation experts perform an external appraisal of the property portfolio each quarter.

The valuation methods are determined by the external experts. The valuation method that is used is the Discounted Cash Flow method, by which the yield is assessed, together with the breakdown of the value into land, buildings and financials. This is based on detailed discounting of the financial flows based on explicit assumptions concerning the future evolution of this income and the end value. In this case, the discount rate takes account of financial interest rates on the capital markets, plus a specific risk premium for investment property. Fluctuating interest rates and inflation projections are taken into account conservatively in the appraisals. These appraisals are also tested against the unit prices listed for the sale of similar buildings, after which an adjustment is made taking into account any differences between these references and the properties concerned. The development projects (building, renovation or expansion works) are valued by deducting the costs of the project on completion from their expected value that was determined by applying the above approaches. The costs of the study phase of the building, renovation or expansion works are valued at their actual cost. The independent expert determines the fair market value on the basis of a discounted cash flow model. The appraisals thus reached are also compared to the initial yield and available comparison points from recent market transactions for similar properties (including properties acquired by Xior itself during that year). The valuation cycle within a financial year consists of a visit to the site, followed by a detailed appraisal report that is drawn up for each individual building and three desktop reviews in which new data supplied by Xior in relation to the tenancy situation is considered and the main assumptions relating to the significant non-observable inputs are rationalised.

8.2.4.2 Conclusions by Valuation Experts Stadim, Cushman & Wakefield and CBRE on 31 December 2019

"Dear Sir or Madam,

We are pleased to present our appraisal of the value of the property portfolio of Xior Student Housing NV (Stadim: 48 properties in Belgium and 22 properties in the Netherlands, Cushman & Wakefield Nederland: 20 properties in the Netherlands, Cushman & Wakefield Portugal: 5 properties and CBRE Spain: 4 properties) on 31 December 2019.

Xior has appointed us, as independent property experts, to determine the investment value and Fair Value of its property portfolio. The appraisals were made taking into account the comments and definitions stated in the reports and the guidelines of the International Valuation Standards issued by the International Valuation Standards Council (IVSC).

IAS 40 defines Fair Value as the amount for which assets would be transferred between two well-informed parties, on a voluntary basis, and without any special interests, mutual or otherwise. IVSC considers these conditions fulfilled if the parties observe the aforementioned definition of market value. The market value must therefore be a reflection of the current tenancy agreements, the current gross margin of self-financing (or cash flow), the reasonable assumptions concerning the potential rental income and of the expected costs.

The notarial charges must be adapted in this context to the factual market situation. After the analysis of a large number of transactions, the property experts who act on the request of listed real estate companies, came to the conclusion in a working group that since property can be transferred in various ways, the impact of the transaction fees on large investment properties in the Belgian market, whose value exceeds EUR 2.5 million, is limited to 2.5%. The value including the transaction fees payable by the purchaser is therefore the Fair Value plus 2.5% in notarial charges. The Fair Value is therefore calculated by dividing the value including the transaction fees by 1.025. Properties valued at less than the EUR 2.5 million threshold and foreign companies fall under the normal registration duty and their Fair Value thus corresponds with the value that includes the transaction fees payable by the purchaser.

We have acted as independent experts. As property experts, we hold a relevant and accredited qualification and have up-to-date experience with properties of a similar type and location to those in Xior's property portfolio.

The appraisal of the properties took both the current tenancy agreements and all rights and obligations arising from these agreements into consideration. Each property was appraised separately. The appraisal does not take account of potential added value that could be achieved by offering the entire portfolio for sale. Our appraisals do not take into account any marketing costs inherent to a transaction, such as estate agent fees or advertising costs. In addition to an annual inspection of the properties concerned, our appraisals are also based on the information supplied by Xior in relation to the tenancy situation, floor areas, drawings or plans, rental charges and taxes in relation to the specific property, conformity and any environmental pollution. The information provided was considered to be accurate and complete. Our appraisals assume that any non-disclosed information is not of such a nature as to influence the value of the property.

Based on the comments above, we can confirm that the Fair Value of the part of Xior's property portfolio appraised by Stadim (48 properties in Belgium and 22 in the Netherlands) was EUR 784,455,556 (seven hundred and eighty-four million, four hundred and fifty-five thousand, five hundred and fifty-six euros) on 31 December 2019.

Based on the comments above, we can confirm that the rounded Fair Value of the part of Xior's property portfolio appraised by Cushman & Wakefield (20 properties in the Netherlands) was EUR 281,680,000 (two hundred and eighty-one million, six hundred and eighty thousand euros) on 31 December 2019.

Based on the comments above, we can confirm that the rounded Fair Value of the part of Xior's property portfolio appraised by Cushman & Wakefield Portugal (5 properties in Portugal) was EUR 79,289,000 (seventy-nine million, two hundred and eighty-nine thousand euros) on 31 December 2019.

Based on the comments above, we can confirm that the rounded Fair Value of the part of Xior's property portfolio appraised by CBRE Spain (4 buildings in Spain) was EUR 138,499,000 (one hundred and thirty-eight million, four hundred and ninety-nine thousand euros) on 31 December 2019.

Yours faithfully,

Stadim
Cushman & Wakefield

Cushman & Wakefield

CBRE."



Brusselsepoortstraat
Ghent



09

Corporate social responsibility

9.1

MESSAGE FROM THE CEO

As a pioneer in student housing and listed real estate, Xior has a great social responsibility. Housing students and taking care of them also means taking care of the future. We therefore realise more than ever that we need to take responsibility and lead by example, both for other companies in the sector as well as our other stakeholders.

In that respect, we have taken very important steps in 2019 to include sustainability as a key element in our long-term strategy. First of all, together with an external partner, we worked out a sustainability strategy based on two major pillars:

Best in class organisation and employees
Happy students in efficient buildings

With a presence in 4 countries and 26 cities, diversity is becoming an increasingly important keyword for Xior, both in terms of its tenants and its employees. The mixture of cultures, talents and languages of our tenants is therefore reflected in our valuable employees.

“With a presence in 4 countries and 26 cities, diversity is an important keyword for Xior.”

And we will, of course, do everything we can to reduce our ecological impact. In order to do this as efficiently as possible, we started mapping out our climate impact in 2019. Based on these results, we will continuously take steps to reduce our climate impact through awareness-raising campaigns and technical measures.

We are well aware that we still have steps to take, but at the same time we are also very pleased that there is a great deal of support and willingness among our employees to take those steps.

We at Xior are very proud of our first sustainability report. I would therefore like to invite you to read the report in detail and learn about our approach to sustainability.

9.2 MATERIALITIES

9.2.1 ANALYSIS

Together with an external consultant, Xior considered the main themes for its sustainability strategy. The first step consisted of an analysis of similar companies in the real estate sector and of relevant ESG assessments, frameworks and standards, such as the European Public Real Estate Association (EPRA), GRESB, Dow Jones Sustainability Index (DJSI), Sustainability Accounting Standards Board (SASB) and World Economic Forum. In the end, a preliminary selection of 14 materialities was made.

Through an analysis of the (potential) economic, social and environmental impact of Xior for each theme, the 14 themes were reduced to a list of 12 materialities.

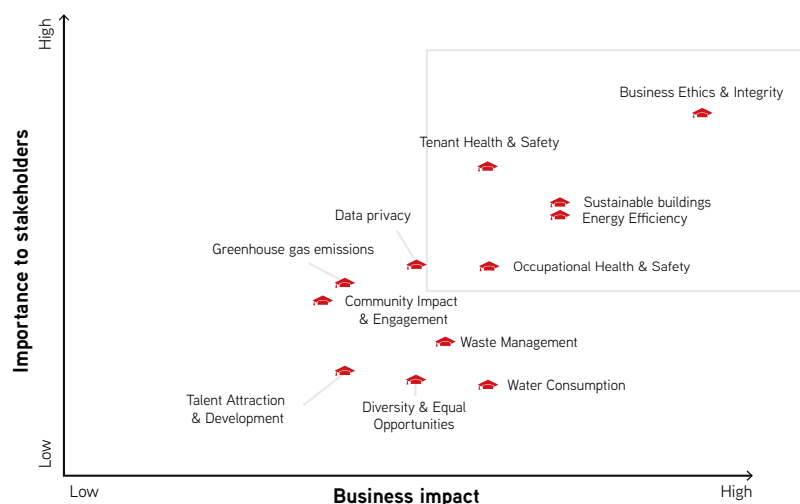
Based on an in-house workshop, by-proxy stakeholder interviews and an internal management review, these 12 themes were prioritised on the basis of two questions:


- to what extent do Xior's stakeholders attach importance to each of these materialities?
- what social impact can Xior have on each of these materialities, taking into account the associated risks and opportunities?

9.2.2 MATERIALITY MATRIX

The result of this analysis is a matrix showing the five most important focus themes²⁷ for Xior:

- Ethics and integrity
- Health, safety and well-being of employees
- Health, safety and well-being of tenants
- Energy efficiency
- Sustainable buildings



²⁷ The focus themes are marked with 

9.3

SUSTAINABILITY STRATEGY

9.3.1 SUSTAINABILITY FRAMEWORK

In order to shape Xior's approach to sustainability, a strategy was designed for the next three years. The sustainability framework consists of two pillars that bring together the main material themes.

- **Best in class organisation and employees:** Achieving operational excellence by ensuring that the organisation operates in an ethical and transparent manner, and that its people can flourish.
- **Happy students in efficient buildings:** Offering quality and sustainable housing where students feel comfortable, safe and at home.

These pillars form the basis of Xior's sustainability strategy in which these focus themes will be further elaborated in the coming years and in which the necessary action points and priorities will be defined.

Best in class organisation and employees

- Ethics and integrity
- Health, safety and well-being of employees

Happy students in efficient buildings

- Health, safety and well-being of tenants
- Sustainable buildings
- Energy efficiency

9.3.2 XIOR AND THE SUSTAINABLE DEVELOPMENT GOALS

The United Nations launched 17 Sustainable Development Goals (SDGs) and 169 sub-goals for 2030. SDGs provide governments, societies and companies worldwide with a clear framework to better protect and flourish our planet and its inhabitants.

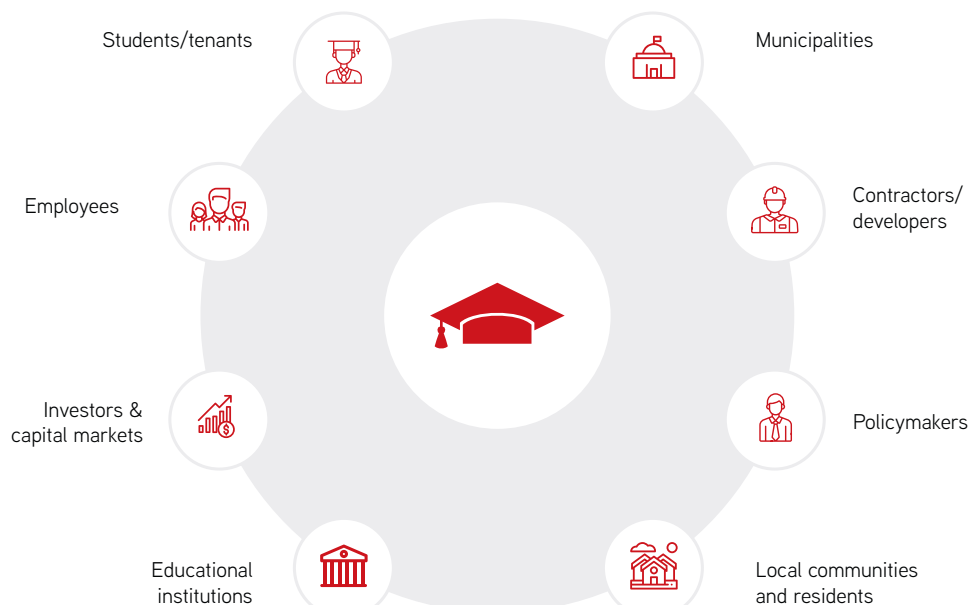
The SDGs therefore formed an important guideline for Xior's sustainability strategy, in which further actions on the selected focus themes will contribute to these four SDGs:

- 7 – Affordable and Clean Energy
- 9 – Industry, Innovation and Infrastructure
- 11 – Sustainable Cities and Communities
- 16 – Peace, Justice and Strong Institutions



9.3.3 THE XIOR STAKEHOLDERS

The Xior management identified the following main stakeholder groups for Xior:



The needs of these stakeholder groups formed an important criterion to determine the sustainability strategy and the material themes for Xior.

9.3.4 ASSOCIATIONS AND CORPORATE MEMBERSHIPS

Xior is a member of the following associations:



9.4 THE XIOR FAMILY: STUDENTS AND EMPLOYEES (Emp. Turnover)

The aim at Xior is to offer quality and reliable accommodation to students who are looking for a place where they can study, live and enjoy life in ideal conditions. A place with that little bit extra, where every student immediately feels at home. At Xior, every employee makes a significant contribution to that goal.

One of Xior's core values therefore centres around an ever larger and more international #Xiorfamily, whereby the company strives for a family atmosphere in the various residences as well as the workplace with a healthy work/life balance.

With a presence in four countries and 26 cities, diversity is an important keyword for Xior both in terms of its tenants and its employees. The mixture of cultures, talents and languages of the tenants is also reflected in the employees.

The health, safety and well-being of both its tenants and its employees are considered material for Xior. This chapter provides an overview of Xior's efforts to create a pleasant, healthy and safe living and working environment for students and employees. Xior will increase these efforts even further over the coming years.

All listed indicators are displayed in accordance with EPRA. An overview of all social performance indicators is provided in the EPRA tables in Chapter 9.7 of this Annual Report. The main observations and trends are discussed below.



+44%

Evolution of number of students
(number of lettable student units) from
5,505 in 2018 to 7,932 in 2019



+124%

Evolution of FTEs: from 25 employees
at the end of 2018 to 56 employees at
the end of 2019²⁸

We also focus on finding additional employees with talents that fit within our Xior family. In 2018, 25 employees were on the payroll. One year later, we have again grown significantly to 56 employees by the end of December 2019, thanks in part to our entry into Spain and Portugal²⁹.



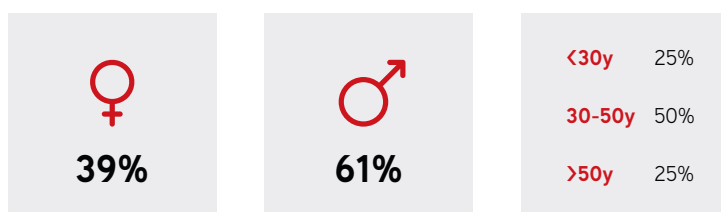
9.4.1 DIVERSITY (Diversity-Emp + Diversity-Pay)

Employee diversity

Xior is a fast-growing international company with a large regional distribution (active in four countries and 26 cities by the end of December 2019). It is very important for Xior to be able to continue to attract the right talents and integrate them in the company.

Xior also wants the great diversity of nationalities in its client base to be reflected in its employees. That's why it is essential to find a good mix of different talents, cultures and personalities. And, of course, the language skills of (potential) employees are also important. Xior's selection procedures are short, with objective selection criteria and a great deal of attention paid to diversity.

At Xior, employees find themselves in a safe, healthy and pleasant working environment, where everyone's opinion, skills and personal development are taken into account. Xior also offers its employees a fair salary package, fringe benefits (such as health insurance, a bonus system and more) and a good work/life balance. With regard to pay, no distinction is made between men and women, while men and women in the same job are treated equally, as shown by the good salary gap ratio, which is around 1 and which Xior considers important (cf. EPRA table in Chapter 9.7)³⁰.



²⁹ Number of employees excluding the Board of Directors.

³⁰ Salary gap ratio is 1.02 for other employees. These are the employees excluding the Board of Directors.

Student diversity

In terms of both tenants and employees, Xior is an organisation that brings together a great social mix, with people from all corners of the world and from all sections of the population. In 2019, Xior offered housing to more than 137 nationalities who study, live and enjoy life together in harmony.

**9.4.2 PERSONAL DEVELOPMENT (Emp-Training + Emp-Dev)**

Despite its strong growth, the culture at Xior is still characterised by a flat organisational structure and a family atmosphere where entrepreneurship and initiatives are encouraged and supported and where everyone enters into an open dialogue with each other. Based on the belief that continuous training is one of the keys to increasing staff versatility, Xior launched the 'We Care for your Talent' programme in 2019. Through this programme, Xior aims to provide training of an average of five days per full-time equivalent employee (FTE). All Xior employees are encouraged to take part in training courses and seminars, while collective training courses are also organised on a regular basis. In 2019, 2.8 hours of training per FTE were officially declared. This will increase next year when our programme is fully operational.



Average amount of
training per employee:
2.8 hours

In 2019, an evaluation meeting was organised for 61% of employees³¹ during which the necessary attention was paid to the growth of the team, the necessary resources, training and personal career expectations. In such meetings, the objectives for the following year are also set. In addition to these annual evaluation interviews, several on-the-job coaching and informal feedback sessions take place throughout the year.

Xior also continued its collaboration with university institutions throughout 2019, which resulted in employees from various departments (rental offices, marketing, PR, etc.) supervising several trainees a year.



9.4.3 HEALTH AND SAFETY

Healthy and safe in a student room (H&S-Assets + H&S-Comp)

Student safety will always remain an important priority for Xior. As such, rooms are equipped with access control and a fire safety system.

100% of the assets are subject to a safety inspection pursuant to the housing code as part of granting permits. These conformity checks are set out by law and include (depending on the various regional directives) fire safety checks and a technical inspection of the lifts, electricity, water quality, ventilation and heating systems, among other things. As indicated in the EPRA table (see Chapter 9.7), three incidents (of non-compliance with regulations and voluntary codes relating to the health and safety impact of our assets) were identified in 2019. In line with our policy, measures were taken as soon as the incidents were identified.

In addition, operational staff or residence managers regularly carry out site visits. They identify needs and potential improvements, and ensure that any problems are addressed quickly. If there is still an urgent technical problem, the operational teams are at the students' disposal 24 hours a day, 7 days a week.

The implementation of the new C-scan programme in 2020 will also enable Xior to continuously monitor the air quality (CO₂, smoke, humidity, etc.) in student rooms and, if necessary, to intervene or make adjustments. It is Xior's vision to equip more student residences with such a system in the future following a successful test phase in four buildings.

³¹ The employees in Spain have recently been recruited and will be invited for an evaluation interview in 2020.



Healthy and safe at work (H&S-Emp)

"Relax in your own place! Xior offers students high-quality and secure student rooms where you can study, live and enjoy life in ideal conditions"

As in 2018, in 2019 there were no occupational accidents or work-related deaths. Xior promotes a healthy work/life balance, resulting in low absenteeism (cf. EPRA table Chapter 9.7).

From 2019, every Belgian member of staff will also have **hospitalisation insurance** through Xior. At the beginning of 2020, all Belgian offices switched to a 39-hour working week (instead of a 38-hour week). This change was made to bring the work schedule more in line with employees' needs, giving them **six extra days of leave** to use. Xior will also roll out the 'Healthy and safe at work' policy statement in 2020.

0.56%

absentee rate
illness

0

occupational
accidents

0

work-related fatality

Exercise at work and in student accommodation (H&S-Emp)

Exercise contributes to better health and clarity of mind for both students and employees. That's why Xior already provides gyms and relaxation facilities in some of its buildings, including pool and table tennis tables.



Alma/Roxi - Brussels



Diagonal Besòs - Barcelona

The ESG working group also launched a **corporate well-being programme** for employees – XIORIZE. Launched in March 2020 in collaboration with Energy Lab, the programme challenges employees to exercise more together and to become healthier and happier. Employees are taking on the challenge of making a journey of 40,075 kilometres, exactly the distance of a complete trip around the world, to raise money for charity. In order to achieve this goal, each step or kilometre by employees will be logged. Moreover, Xior is also challenging its staff to become real Xior heroes and take part in an Olympic triathlon (swimming, cycling and running). Thirty-six colleagues from Belgium, the Netherlands and Spain have already committed to training for an Olympic triathlon for six months, after a personal screening and with personal guidance.

Furthermore, Xior is currently analysing whether the programme can also be extended to students for the 2021/2022 academic year. By doing so, Xior could significantly increase its impact, further promote the sense of community and encourage students to move more and commit themselves to a good cause.



Empathy with students

Xior does everything in its power to make students feel at home. In order to achieve this, it is essential that Xior knows how tenants are feeling. In this context, it is important to bring universities closer to Xior's sphere of influence. Universities monitor students' physical and mental health and are therefore ideally placed to follow up on any concerns regarding a tenant.

Everyone also knows that the most difficult period for many students is usually the exam period. That's why Xior likes to pamper students during these periods (with a luxury breakfast, for example). Xior also regularly supports or sponsors student events and associations.

Xior plans to measure tenant satisfaction through **a satisfaction survey**, after which the results will be used to draw up an action plan.

9.4.4 COMMUNITY IMPACT AND ENGAGEMENT

Inclusive communities (Comty-Eng)

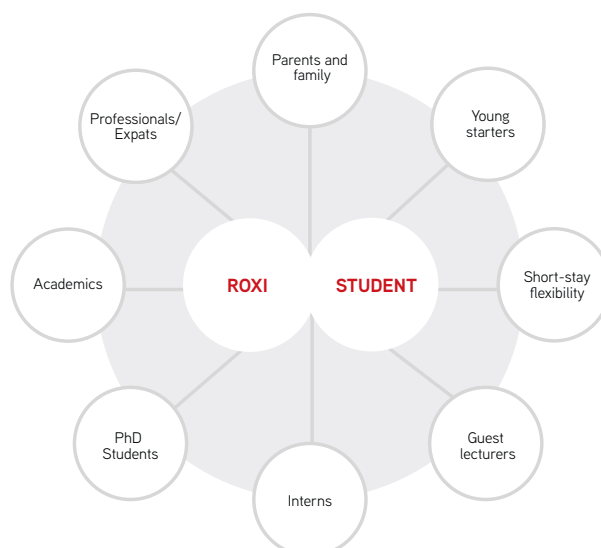
At Xior, it is the students, as clients, who determine the scope of operations, and they form the community to which Xior is committed on a daily basis. It is a challenge for Xior to form, support and actively engage this community with the issues (such as ecological ones) facing Xior.

As indicated in the EPRA table, residence managers are present in 54% of the residences (see p. 218), with Xior present on site through these residence managers as well as through the regional offices. Xior is committed to students' well-being, and this is reflected in the facilities provided for them as residences have sufficient communal areas to promote social contact and relaxation among students.



Bonnefanten - Maastricht

With **ROXI**, Xior launched a new hybrid housing concept that allows both long and short stays and also addresses other target groups in students' wider and living environments: parents who come to visit, PhD students, academics, guest lecturers, recent graduates taking their first steps on the job market, etc.



Roxi focuses on different target groups in the students' environment

Xior also pays attention to facilities for disabled persons. Many buildings have wider doors for wheelchair users, more spacious rooms and bathrooms for disabled persons, while the building on Brusselsepoortstraat (Ghent) has a lower counter in the kitchen for wheelchair users and a lift platform has been installed in the communal area in the residence on Oudergemlaan (Etterbeek).

Xior also makes every effort to promote students' well-being when it comes to the student rooms. By way of example, Xior and Donum joined forces to promote the 'Tipton' chair: an ergonomic office chair that improves students' study performance. This chair will be fitted in all student rooms in the new residences and now forms part of the standard room furnishings. Office chairs in existing buildings are also gradually being replaced by the 'Tipton' chair.

Affordability for the tenants

Xior is acutely aware that studying and living in rented student accommodation is a major investment for students and their parents. Xior therefore makes every effort to make high-quality and secure accommodation, where students can study, live and enjoy life in ideal conditions, accessible to the widest possible audience. As such, Xior strives for an optimal mix of student rooms, including 'budget rooms', so that student accommodation does not have to be a luxury product.

Xior also works with educational institutions and housing corporations in order to be able to provide an additional 'social' range. In Barcelona, Xior also offers 20 scholarships, allowing 20 students to rent a student room at a greatly reduced price.

The Xior employees once again organised a successful **'Win a year free housing'** campaign in Belgium. Students from different residences in Belgium were asked to complete a wordsearch, in which all the words to be found described Xior's ecological approach. This served to raise awareness among students of their ecological impact both when at home and during their student life. The main prize was a free room for one year.



Good neighbours

Xior strives for good relationships and a good understanding with the neighbours of all of our residences. In order to achieve this, regular consultations take place with the neighbours both from the start of the permit process and after the building has been occupied.

The aim is to keep any nuisance (noise, waste, etc.) to an absolute minimum for both co-inhabitants and neighbouring residents. This is done by means of awareness-raising campaigns as well as active and intensive follow-up by the residence managers present on site.

Municipalities and educational institutions

Constant and interactive communication with educational institutions and the (local) authorities is an important priority for Xior. About 18% of the annualized rental income from the property portfolio is currently linked to some form of collaboration with an educational institution (contracts, guarantees and partnerships).

Cooperation with local social enterprises

In the Besòs residence in Barcelona, Xior works with various social non-profit organisations:

- Foundation Formació i Treball: Xior works with this foundation for the restaurant, catering and cleaning of communal areas. Established in 1992 by Caritas, the foundation aims to help people find a job that is impossible or more difficult to find on the regular employment market.
- ILUNION: Xior works with ILUNION for the processing of laundry and linen. ILUNION wants to create quality jobs for people with disabilities.
- TEB: TEB is the regular partner for garden maintenance. TEB looks for jobs for people with intellectual disabilities. By caring for nature, these people gain considerably more self-confidence.
- Diswork: All night concierges are provided through Diswork, an organisation that helps people with disabilities find jobs.



Food surpluses

In 'The Lofttown' in Barcelona, tasty, healthy and balanced meals (made with as many local and organic products as possible) are served to the students. All food surpluses are donated to a charity that in turn distributes them to the most underprivileged in the city.

Warmste Week

During the 'Warmste Week' annual charity fundraiser organised by radio station Studio Brussel, an event was organised in Antwerp and Leuven for students and colleagues in support of Auxilia vzw, an organisation of voluntary teachers who help underprivileged children, youngsters and adults who need some extra help with their education. This campaign yielded EUR 1,200, with Xior matching the amount so that Auxilia vzw received a total of EUR 2,400.



9.5

ETHICS AND INTEGRITY



Xior is committed to doing business honestly and correctly at all times, communicating openly and reporting as fully and transparently as possible. Xior strives for the highest values and standards when it comes to ethics. Integrity, honesty and reliability are therefore keywords within the Xior culture.

Since 2019, all new employees have been asked to sign the employment regulations, dealing code, the internal notification procedure and the privacy policy.

9.5.1 CORPORATE GOVERNANCE CHARTER

In order to achieve all this and to provide everyone within the organisation with clear guidelines, a Corporate Governance Charter has been drawn up (can be viewed online), with the Belgian Corporate Governance Code as reference. This charter, including the dealing code and the complete integrity policy, can be consulted freely on the Xior website. Xior reports annually on its operational management via the corporate governance statement in the annual report.

Xior has also developed an internal reporting procedure for employees who wish to report a (potential) violation of the Corporate Governance Charter. The procedure ensures that they can do so in complete confidence and confidentiality as soon as there is a reasonable suspicion of a violation.

9.5.2 DEALING CODE

Xior has drawn up its own dealing code for financial transactions. This document (available online) contains the main rules to be observed to prevent the abuse of market and insider information.

9.5.3 GDPR

The EU General Data Protection Regulation (GDPR) came into force in May 2018. With this regulation, Europe aims to ensure a higher level of protection for all individuals whose personal data is held and processed. Xior took several actions in 2019 to comply with this regulation, including switching to a more secure IT cloud environment and changing both the internal procedures and the privacy settings on its website. You can also consult the privacy policy on the Xior website. This new IT infrastructure will be further rolled out in 2020, including a new state-of-the-art security system.

Internal training on GDPR will be organised in 2020, with a focus on the protection and processing of personal data and the handling of data breaches. In this way, we are trying to ensure that the attention and knowledge of all our employees remain at the highest level and that our internal procedures are kept up to date with the latest developments in the field.

9.5.4 WHAT'S NEXT?

In 2020/2021, the Code of Conduct and the car and travel policies will be set out in more detail, while Xior will also further develop the international corporate culture and corporate values.

Furthermore, at the beginning of 2020, the Corporate Governance Charter was adapted to the new Belgian Corporate Governance Code 2020 and the remuneration policy was set out in a separate document to be submitted to the shareholders for approval at the general meeting.

9.6

ENVIRONMENTAL AND ENERGY PERFORMANCE

As a real estate player in student housing, Xior is actively working with all students to reduce its ecological footprint.

In 2019, Xior committed itself to further systematic mapping of its environmental performance, partly on the basis of a more comprehensive set of indicators. For example, this year the climate impact of student accommodation was calculated for the first time, while all waste collectors were contacted to gain insight into the evolution of waste flows. Active efforts were also made to improve the energy efficiency of the entire portfolio, during the design and development as well as during the use of the infrastructure, by focusing on user awareness, resulting in an annual reduction of the environmental impact.

All consumption and associated greenhouse gas emissions are collected centrally based on measurements and invoices. This report only discusses the performance data of the units under own management and considers 2018 as the base year for the trend analysis. Consumption in 2018 was adjusted retrospectively on the basis of actual figures from invoices and measurements. The methodology used for all measurements is described in detail in Chapter 9.8. This methodology applies mainly to the environmental part, but also to the social part.

An overview of all environmental performance indicators is provided in the EPRA tables in Chapter 9.7. The main observations and trends are discussed below.



9.6.1 SUSTAINABLE BUILDINGS

**Building in the spotlight: Woudestein**

The modular precast concrete system CD20 was chosen for the construction of the Woudestein residence in Rotterdam. This system is very quick and clean to assemble, saves material and can also be completely dismantled and reused.



By using this system, the building height per floor was reduced by 20 to 30 cm. Building with CD20 also contributes to a CO₂-neutral construction.

Building in the spotlight: Woodskot

Woodskot was completed in Brussels at the end of 2019. It is a student residence that, as the name suggests, is primarily made of wood and meets strict ecological standards. On the site of an old shoe factory, Woodskot is now an ecological home to more than 91 students.



Woodskot is mainly composed of cross-laminated timber (CLT), a building material consisting of elements of certified wood joined together in several layers to guarantee the strength of the material. As this wood usually comes from regions that are reforested, it is considered a renewable source. And while the production of concrete emits a lot of CO₂, wood stores CO₂. In addition, a construction with wood provides a healthier living environment, as wood regulates humidity more closely and provides better thermal and acoustic performance.

"With Woodskot, Xior hopes to contribute to the regeneration of the neighbourhood."

There will also be nine social housing units at the back of the building. With the diversity that students and social housing bring, Xior hopes to make a positive contribution to the regeneration of the neighbourhood.

Certificates (Cert-Tot)

In Belgium, the sites or individual self-contained rooms have an energy performance certificate (EPC) that maps out the energy efficiency of the student residences. A similar Energy Index (EI) is established for self-contained student rooms in the Netherlands, while new construction projects also have an EPC value.

In 2019, a start was made on collecting and centralising all energy certificates. Currently, the EPC/EI certificates of 74% of the sites in the measurement scope have been mapped but, as this process is still ongoing, Xior is well aware that this does

not yet give a complete and correct picture. In addition, some reports are still being requested as a result of renovations or new construction projects, while some certificates are still missing as in the Netherlands, there is only an obligation to measure the energy performance of self-contained units.

Xior undertakes to further integrate these energy scores in future sustainability reports as well as to increase the scores, which is a clear reflection of Xior's strategic commitment to greening its portfolio. In order to further improve and digitalise this mapping process, a new system has been set up that will be further rolled out in 2020 and will serve to centralise all inspections (in addition to all certificates) for the entire real estate portfolio and to further optimise management afterwards.

Green assets and Green Finance Framework

Xior developed a 'Green Assets Portfolio' – a selection of the most ecologically advanced buildings in the real estate portfolio. As part of Xior's sustainability ambitions and with the aim of attracting specific funding for (re)financing green projects and assets, Xior has developed a Green Finance Framework. This framework provides a context that complies with the Green Loan Principles (GLP), launched by The Loan Markets Association (LMA) and supported by the International Capital Market Association (ICMA). Based on this framework, a first green financing target of EUR 25 million was achieved in February 2019. This Green Finance Framework was upgraded, with certification by a Second Party Opinion from Sustainalytics, and now complies with the Green Bond Principles (GBP). The Green Finance Framework and the Second Party Opinion can be consulted online on the Xior website. In April 2019, Xior realised a successful US Green Bond private placement for a total amount of EUR 100 million divided into a EUR 34 million tranche with a 6-year maturity and coupon of 1.92% and a EUR 66 million tranche with a 12-year maturity and coupon of 2.32%. This brings the total green financing to EUR 125 million.

At the end of December 2019, the green portfolio consists of 10 sites, three more than in 2018. As indicated in the EPRA table (see Chapter 9.7), eight of these sites are part of the current measurement scope.

The overview below shows the sites in the green portfolio in the year 2019. Xior is committed to further increasing the share of "green" buildings in its portfolio in the coming years.





9.6.2 ENERGY EFFICIENCY



In the European Union, buildings are responsible for 40% of the total energy demand and 36% of the total CO₂e emissions. At Xior, people understand that the company has a great responsibility that cannot be ignored. The further mapping of the energy consumption and climate impact of the student residences will form the basis for further initiatives to further reduce energy consumption. The energy indicators are presented in accordance with the EPRA guidelines and can be found in the EPRA table of environmental indicators in Chapter 9.8.

Energy intensity of buildings

In the like-for-like scope, a 6% decrease in energy intensity was observed, to an average energy consumption of 171 kWh/m².³²

-6%
Energy intensity
(kwh/room) - LfL

"This year, we extensively mapped out our energy consumption with a view to reducing our energy intensity and greening our energy demand."

Solar energy and green electricity

Nine of the residences in the scope (six in the Netherlands and three in Belgium) currently produce their own solar energy. The total installed power of the solar panels is approximately 332,130 WP. Xior will continue to invest in solar energy and the installed capacity will also increase due to the commissioning of new sites (such as Diagonal Besòs in Barcelona and Studax in Leuven³³).

Xior is currently working on an exercise in which all contracts with energy suppliers are mapped out and evaluated. In 2019, 12% of the total electricity demand was covered by green electricity (from renewable energy sources) from the sites measured, with 6% self-generated and 6% coming from green energy contracts. Xior aims to increase this percentage significantly in the coming years. In view of the fixed duration of current energy contracts, we expect more and more contracts to be converted to green electricity when they expire, meaning this percentage will increase at an ever faster rate.

In the past, the electricity contracts for some of the residences in the portfolio were closed on a unit-by-unit basis. Xior wants to internalise these contracts as much as possible in order to get a better grip on the type of contract (e.g. green electricity) that is concluded. Today, Xior is already responsible for the electricity contracts of 91% of the residences in the portfolio in scope (landlord-obtained).

Electricity consumption

Absolute consumption (Elec-Abs)

In 2018, the scope included 54 buildings responsible for electricity consumption of 3,430 MWh. This year, consumption of 4,148 MWh for 57 buildings was measured, of which 12% came from renewable sources.

Like-for-like consumption (Elec-LfL)

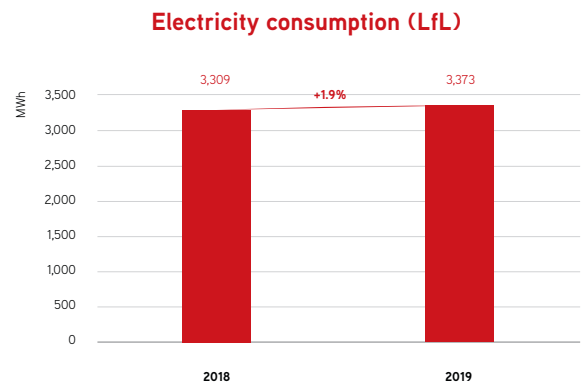
Due to the growth of the portfolio, it is more important for Xior to analyse the trends based on a constant scope rather than based on absolute consumption. This is why like-for-like analysis is studied as an indicator of the trend in consumption.

The like-for-like analysis compares the electricity consumption of 44 buildings that were operational in the last two years. The analysis shows a slight increase of +1.9% (64 MW) compared to 2018. However, the share of green electricity in the like-for-like scope also increased from 4% to 11%. There is no direct cause for the slight increase of 1.9%. This may be due to improved data collection. The 7% increase in the share of green electricity is a direct result of all efforts to renegotiate

³² In percentage terms, this decrease is greater than the decreases in the like-for-like scopes of the various energy sources. This is due to a different scope of measurement for energy intensity. In order to calculate an accurate intensity, only sites are included in the intensity calculation for which data was available for each type of energy consumed on the site. For a more detailed explanation of the EPRA measurement methodology, we refer to Chapter 9.8 "Measurement methodology and assumptions".

³³ Diagonal Besòs (Barcelona) and Studax (Leuven) are not included in the scope for 2019.

some of the electricity contracts.



Fossil fuels

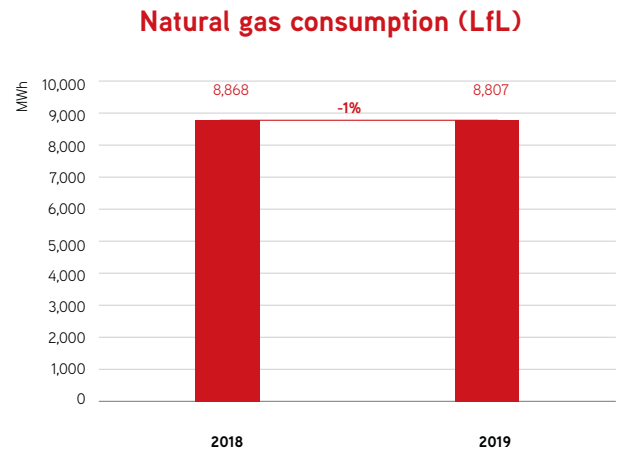
The heating of student accommodation represents the largest part of the reported energy consumption (62% in 2019). Student accommodation is mainly heated with natural gas. Absolute natural gas consumption will increase with the commissioning of several sites in 2019. In the like-for-like scope, Xior observes a slight decrease.

Absolute consumption (Fuel-Abs)

In 2019, 12,103 MWh of natural gas was consumed in 38 buildings. Again, due to the growing portfolio and better data collection, it is mainly interesting to study a constant scope (LfL analysis) as an indicator of the trend in consumption.

Like-for-like consumption (Fuel-LfL)

This like-for-like analysis compares the consumption of 28 buildings that were in operation in the last two years and for which complete data is available. The data shows a decrease compared to last year.



This decrease can be explained by a combination of efforts (e.g. insulation and windows according to the latest insulation standards) and a milder winter. However, a normalisation of consumption data based on degree days is not relevant in this context since part of the natural gas is also used to heat domestic water. A more detailed explanation is provided in the measurement methodology in Chapter 9.8.

District heating (DH&C-Abs & Lfl)

With CO₂ emissions 30% lower than natural gas, the use of heat distribution has a positive effect on the ecological footprint of a building. Seven Xior residences are connected to such a system:

- Woudestein (Rotterdam, The Netherlands)
- Ariënsplein (Enschede, The Netherlands)³⁴
- Naritaweg/Barajasweg (3 buildings), Karspeldreef (Amsterdam, The Netherlands)
- Diagonal Besòs (Barcelona, Spain)³⁴

There is no data available yet for the Ariënsplein site in Enschede. Data is available for the two buildings on Naritaweg (Amsterdam), Barajasweg (Amsterdam) and Karspeldreef (Amsterdam), although not for the last two years as they have not yet been in the portfolio for that long. Consequently, a trend can only be observed for Woudestein as the only site in the like-for-like analysis scope. The observed increase of 3.7% may be due to this year's more complete data collection compared to last year. Xior will also give preference to such a sustainable system for new investments, if possible.

Raising awareness among tenants

As far as energy efficiency is concerned, Xior is working hard to raise awareness among students. Every student gets a flyer with tips and tricks on how to save energy, while posters are also put up in several buildings.



Individual meters are also provided per room at several locations in the Netherlands and Belgium. Such meters ensure that students are aware of their energy consumption far more quickly.

³⁴ Diagonal Besòs (Barcelona) and Ariënsplein (Enschede) are not part of the scope for 2019.

LED relighting programme

In 2019, the LED relighting programme continued, replacing conventional lighting with more sustainable LED lighting. In Belgium, about 50% of the old conventional lighting has already been replaced. In addition, all new construction projects are fitted with motion detectors in stairwells, corridors and sanitary areas as standard.

9.6.3 WATER

More efficient water use (Water-Int)

In addition to a number of technical measures such as dual flush buttons in the toilets and energy-saving shower heads, Xior is particularly committed to raising awareness among students. To this end, all students receive a shower hourglass as a gift, which teaches them to be aware of the duration of their shower and their water consumption. The combination of technical measures and awareness-raising led to a clear 10% decrease in water intensity in 2019.

Absolute water consumption (Water-Abs)

In 2019, 101,127 m³ of water was consumed across 56 buildings. This corresponds to 0.9 m³ of water per square metre. Consumption in 2018 (cf. EPRA table in Chapter 9.7) was adjusted based on actual figures from invoices and measurements.

Like-for-like water consumption (Water-LfL)

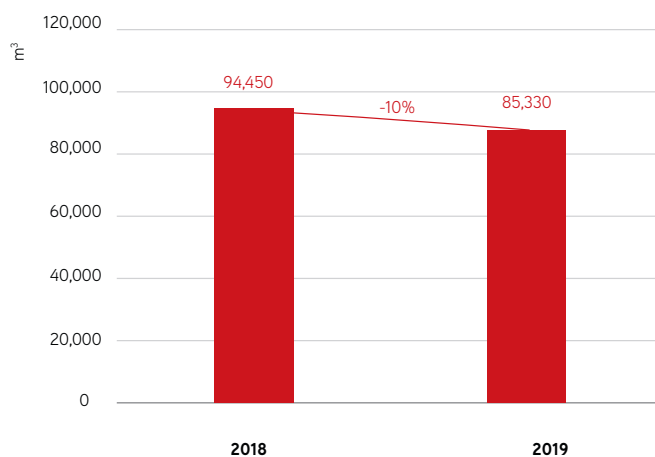
In order to determine the evolution in 2019 compared to 2018, the like-for-like consumption of 48 sites was studied. The results confirm the declining trend, with a 10% decrease compared to last year in the like-for-like scope.

This decrease is a consequence of the many technical interventions and awareness-raising campaigns carried out in 2019, which had a positive impact on water consumption.



"Although the scope of measurements has increased, Xior notes a significant drop in water demand."

Water consumption 2019 (LfL)



-10%

Water intensity
(m³/m²) - LfL

"This year, Xior worked with the students to raise awareness about water use. The results are clearly visible."

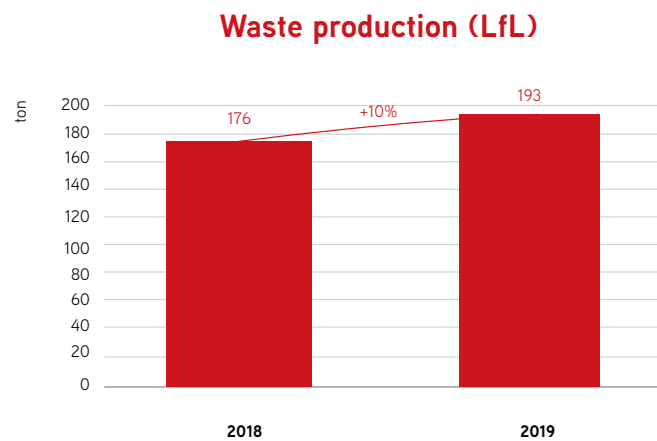
9.6.4 WASTE PRODUCTION

Absolute waste production (Waste-Abs)

In cooperation with the waste collection companies, data was collected for 14 buildings in 2019 and 24 in 2018. For the 14 buildings for which data is already available for 2019, a total waste production of 217 tonnes was determined. This is almost as high as the quantity for 24 buildings in 2018. However, it should be noted that 28% of the result for 2019 comes from extrapolated data.

Like-for-like waste portfolio (Waste-LfL)

If a smaller scope is taken into account, including the 12 buildings for which data is available for both 2018 and 2019, an increase of approximately 10% is observed.



This first analysis clearly shows that important steps still need to be taken in the area of waste production. In order to achieve a reduction, Xior will again combine technical measures with awareness-raising campaigns among students and will continue to work on a systematic way of improving the mapping of waste production even further.

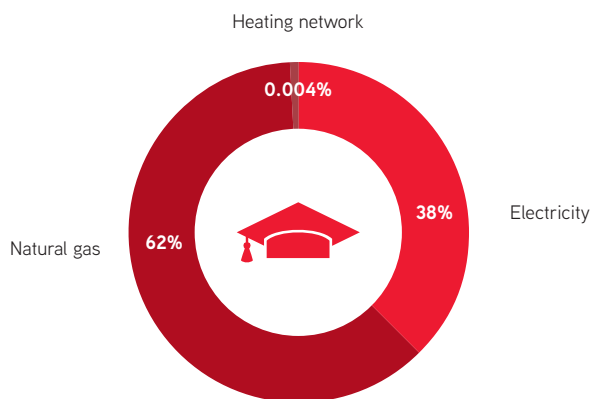
9.6.5 THE CLIMATE IMPACT

General results

In line with international ambitions and climate agreements, Xior, in collaboration with an external partner, calculated the climate impact of the student accommodation for the first time in 2019. For this purpose, the regulations of the Greenhouse Gas (GHG) Protocol – one of the most widespread tools to understand, quantify and manage greenhouse gases – were used.

Direct greenhouse gas emissions are mainly linked to the use of fossil fuels for heat production. Most of the sites are heated using natural gas, which has a lower impact than the heating oil used in the past. Indirect greenhouse gases originate from electricity production at the various electricity suppliers.

Total greenhouse gas emissions in 2019: Distribution by source



Absolute emissions (GHG-Dir-Abs en GHG-Indir-Abs)

The climate impact of the student accommodation for 2018 and 2019 was calculated for the buildings within the relevant measuring scope and amounts to 2,979 tCO₂e and 3,626 tCO₂e respectively.

*Absolute emissions in 2019:
3,626 tCO₂e*

= 1,520 return flights to New York

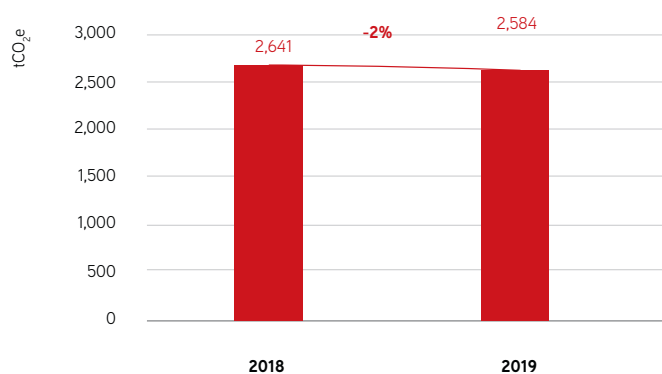
= 360 x emissions of average Belgian in 2018

= 330 x emissions of average Dutchman in 2018

Like-for-like emissions (GHG-Dir-Lfl en GHG-Indir-Lfl)

Through a like-for-like analysis, Xior observes a decreasing trend compared to 2018. This analysis compares the climate impact of the student accommodation that was operational in the last two years and for which complete data is available. Compared to 2018, the climate impact decreased by 2%, which is in line with the previously observed reductions in energy consumption.

Greenhouse gas emissions (LfL)



Intensity of greenhouse gases (GHG-Int)

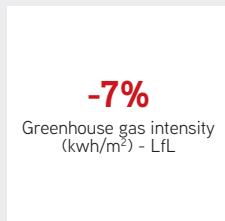
As a result of a lower energy intensity, the greenhouse gas intensity per square metre decreased by 7% compared to last year.

Electricity

Electricity consumption today accounts for approximately 38% of Xior's total climate impact. As part of this first climate study, electricity emissions were calculated based on the average CO₂ intensity per kWh of the national electricity networks (location-based) used by Xior, with the addition of grid losses. However, the climate impact of electricity production differs from one producer to another (market averages or market-based).

By choosing an energy supplier that can supply certified green electricity, or by generating its own electricity from renewable energy sources, Xior could therefore reduce the total reported climate impact by 38%.

In 2019, 205 tCO₂e was avoided thanks to green electricity contracts and producing its own electricity using solar panels. Xior is taking the necessary steps to map out the details of current energy contracts and then reassess them.



"In line with international ambitions, Xior checked the climate impact of our student accommodation and head office for the first time in 2019. In 2019, we avoided 205 tCO₂e (6% of our climate impact) thanks to producing our own electricity and purchasing certified green electricity. We are committed to increasing this share further."

Fossil fuels

Most of Xior's sites are heated on natural gas. The measurements show that natural gas is responsible, on average, for 62% of the greenhouse gas emissions linked to the portfolio.

Head office

This year, the climate impact of the company's own head office was calculated for the first time. Due to the low energy demand of 69 kWh per square metre supplied solely by electricity, the head office is responsible for an annual impact of 4.2 tCO₂e. Green electricity can reduce the reported climate impact (scope 1, 2 and 3) to 0.

Conclusion of climate impact

Xior mapped out the climate impact of the student accommodation for the first time in 2019, based on data from 2018 and 2019. This initial calculation should mainly be seen as an initial estimate, with the focus primarily on identifying and collecting the data needed to measure climate indicators. Xior undertakes to monitor emissions closely for the coming years and to provide additional data.

With an adapted reduction strategy, Xior will then explore further possibilities to reduce emissions. In formulating its climate ambitions, Xior seeks to be inspired by the internationally established "science-based targets" that map out a path per sector towards the objectives set out in the Paris Climate Agreement.

9.7

EPRA TABLES

9.7.1 EPRA SBPR TABLES OF ENVIRONMENTAL PERFORMANCE INDICATORS – FULL PORTFOLIO AND HEAD OFFICE, SEGMENT ANALYSIS BY COUNTRY

Impact area	GRI Standards (CRESS) Indicators	EPRA sustainability performance measurement		Measuring unit	Portfolio				
					Total portfolio				
					Absolute measurements (Abs)		Like-for-Like (Lfl)		
					2018	2019	2018	2019	% change
				Sites in scope	59	69			
Energy (landlord-obtained ¹)	302-1	Elec-Abs & Lfl	Total electricity consumption	Annual kWh	3,429,903	4,148,099	3,308,699	3,372,736	2 %
			Number of buildings in calculation (green and grey electricity)	Number of buildings	54	57	44	44	
			Share of extrapolation of consumption data	%	1%	2%	1%	2%	
			Share of electricity from renewable sources (own production + purchase)	%	4%	12%	4%	11%	
			Share of electricity from renewable sources (own production)	%	4%	6%	4%	4%	
			Share of electricity from renewable sources (purchase)	%	0%	6%	0%	7%	
	302-1	DH&C-Abs & Lfl	Total consumption of district heating and cooling	Annual kWh	769,723	3,431,564	769,723	798,334	4%
			Number of buildings in calculation	Number of buildings	1	5	1	1	
			Share of extrapolation of consumption data	%	0%	0%	0%	0%	
			Share of district heating and cooling from renewable sources	%	N/A ²	N/A ²	N/A ²	N/A ²	
	302-1	Fuels-Abs & Lfl	Total consumption of fossil fuels	Annual kWh	10,237,278	12,103,001	8,868,467	8,806,862	-1%
			Number of buildings in calculation	Number of buildings	42	38	28	28	
			Share of extrapolation of consumption data	%	4%	7%	4%	7%	
			Share of renewable energy	%	N/A	N/A	N/A	N/A	
	302-3, CRE1	Energy-Int	Total energy intensity of the building	Annual kWh per m ²	185	112	181	171	-6%
Greenhouse gas emissions (landlord-obtained ¹)			Total greenhouse gas emissions (scope 1 & 2 - market-based)	Annual tonnes of CO ₂	N/A ³	N/A ³	N/A ³	N/A ³	-
			Total greenhouse gas emissions (scope 1 & 2 - location based)	Annual tonnes of CO ₂	2,979	3,626	2,641	2,584	-2%
	305-1	GHG-Dir-Abs&Lfl	Direct (scope 1)	Annual tonnes of CO ₂	1,894	2,239	1,641	1,629	-1%
			Number of buildings in calculation	Number of buildings	42	38	28	28	
	305-2	GHG-Indir-Abs&Lfl	Indirect (scope 2 - location based)	Annual tonnes of CO ₂	1,085	1,386	1,001	955	-5%
			Number of buildings in calculation	Number of buildings	52	49	39	39	
	305-2	GHG-Indir-Abs & Lfl	Indirect (scope 2 - market based)	Annual tonnes of CO ₂	N/A ³	N/A ³	N/A ³	N/A ³	
	305-4, CRE3	GHG-Int	Total greenhouse gas intensity of buildings	Annual kg CO _{2,e} per m ²	39	25	38	35	-7%

¹ Xior only reports the results of energy invoices paid by Xior (landlord-obtained). It is Xior's vision to relieve students of the responsibilities of their own energy contracts. For some sites in the Netherlands, Xior is still switching from personal contracts to a collective contract. Further information is provided in the methodology. ² Xior did not receive any details on the origin of the energy through its energy supplier and therefore did not report a share from renewable energy. Xior is taking steps, in consultation with its energy producers, to analyse the origin of its energy in more detail and re-evaluate it where necessary.

Portfolio										Head office			Page
Portfolio by country: Belgium					Portfolio by country: The Netherlands								
Absolute measurements (Abs)		Life-for-like (Lfl)			Absolute measurements (Abs)		Like-for-like (Lfl)			Absolute measurements (Abs)			
2018	2019	2018	2019	% change	2018	2019	2018	2019	% change	2018	2019	% change	
35	38				24	31							
1,298,989	1,416,883	1,246,862	1,287,007	3%	2,130,914	2,731,216	2,061,837	2,085,729	1%	24,510	24,507	0%	p. 205
32	30	25	25		22	27	19	19		1	1		
1%	3%	1%	3%		1%	2%	1%	1%		0%	0%		
6%	5%	6%	6%		4%	15%	4%	15%		N/A	N/A		
6%	5%	6%	6%		4%	7%	4%	4%					
0%	0%	0%	0%		0%	9%	0%	11%					
N/A	N/A	N/A	N/A	-	769,723	3,431,564	769,723	798,334	4%	N/A	N/A		p. 207
					1	5	1	1					
					0%	0%	0%	0%					
					N/A ¹	N/A ¹	N/A ¹	N/A ¹					
5,233,691	4,730,296	4,652,902	4,417,213	-5%	5,004,067	7,372,706	4,215,564	4,389,649	4%	N/A	N/A		p. 206
28	19	18	18		14	19	10	10					
1%	2%	1%	1%		7%	10%	8%	13%					
N/A	N/A	N/A	nvt		N/A	N/A	N/A	N/A					
190	152	188	184	-2%	181	93	175	158	-9%	69	69	0%	p. 205
N/A ³	N/A ³	N/A ³	N/A ³	-	N/A ³	N/A ³	N/A ³	N/A ³	-	N/A ³	N/A ³		p. 210
1,179	1,104	1,063	1,018	-4%	1,800	2,522	1,579	1,566	-1%	4,2	4,2	0%	
968	875	861	817	-5%	926	1,364	780	812	4%	N/A	N/A		p. 210
28	19	18	18		14	19	10	10					
211	229	202	201	0%	874	1,158	799	754	-6%	4,2	4,2	0%	p. 210
31	28	24	24		21	21	15	15		1	1		
N/A ³	N/A ³	N/A ³	N/A ³		N/A ³	N/A ³	N/A ³	N/A ³		N/A ³	N/A ³		p. 210
34	27	34	33	-2%	43	24	41	37	-10%	12	12	-10%	p. 210

³ Xior did not receive any details on the origin of the energy from the energy suppliers and therefore did not report market-based greenhouse gas emissions. Xior is taking steps to further analyse the origin of energy in consultation with its energy producers.

Impact area	GRI Standards (CRESS) Indicators	EPRA sustainability performance measurement		Measuring unit	Portfolio				
					Total portfolio				
					Absolute measurements (Abs)		Like-for-Like (Lfl)		% change
					2018	2019	2018	2019	
				Sites in scope	59	69			
Water (landlord-obtained ⁵)	303-1	Water-Abs&LFL	Total water consumption	Annual cubic metres (m ³)	146,562	101,127	94,450	85,330	-10%
			Number of buildings in calculation	Number of buildings	55	56	48	48	
			Share of extrapolation of consumption data	%	6%	4%	5%	3%	
			Share of city water	%	100%	100%	100%	100%	
	CRE 2	Water-Int	Total water intensity of the building						
			Water intensity per m ²	m ³ per m ²	1,2	0,9	1,2	1,1	-10%
Waste (landlord obtained)	306-2	Waste-Abs&Lfl	Total waste production	Annual tonnes of waste	275	217	176	193	10%
			Number of buildings in calculation	Number of buildings	24	14	12	12	
			Share of extrapolation of consumption data	%	0%	28%	0%	23%	
			Total production of hazardous waste	Annual tonnes of waste	N/A	N/A	N/A	N/A	
			Total production of non-hazardous waste	Annual tonnes of waste	275	217	176	193	
			Combustion with energy recuperation: Residual waste	Annual tonnes of waste	224	154	127	133	
			Recycling:						
			Glass	Annual tonnes of waste	7	11	7	10	
			Paper	Annual tonnes of waste	40	47	40	45	
			PMD	Annual tonnes of waste	4	5	2	5	
		Waste-Int	Total waste intensity of the building						
			Waste intensity per m ²	ton per m ²	0,010	0,008	0,008	0,009	10%

⁴ Water consumption for head office is housed in the association of co-owners. Xior is taking steps to get a better view of the details of consumption data.

⁵ Xior reports the results of the water invoices it has paid (landlord-obtained). It is Xior's vision to relieve students of the responsibilities of their own water contracts. For some sites in the Netherlands, Xior is still switching from personal contracts to a collective contract.

Portfolio										Head office			Page
Portfolio by country: Belgium					Portfolio pby country: The Netherlands					Absolute measurements (Abs)			
Absolute measurements (Abs)		Life-for-like (Lfl)			Absolute measurements (Abs)		Like-for-like (Lfl)			Absolute measurements (Abs)			
2018	2019	2018	2019	% change	2018	2019	2018	2019	% change	2018	2019	% change	
35	38				24	31							
30,082	34,494	28,913	34,193	18%	116,480	66,633	65,537	51,138	-22%	N/A ⁶	N/A ⁶	-	p. 208
31	31	30	30		24	25	18	18					
1%	1%	1%	1%		7%	5%	7%	4%					
100%	100%	100%	100%		100%	100%	100%	100%					
													p. 208
0,7	0,8	0,7	0,9	18%	1,4	1,0	1,6	1,3	-22%				
201	126	102	126	24%	75	91	75	68	-9%	N/A ⁶	N/A ⁶		p. 209
20	8	8	8		4	6	4	4					
0%	31%	0%	31%		0%	23%	0%	9%					
N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A					
201	126	102	126		75	91	75	68					
178	95	81	95		46	59	46	38					
7	10	7	10		0	1	0	0					
11	16	11	16		29	31	29	30					
4	5	2	5		0	0	0	0					
													p. 209
0,011	0,010	0,008	0,010	24%	0,008	0,007	0,008	0,008	-9%				

⁶ Xior has received no details of collection from the collection service. Xior is taking steps to gain a better insight into the various waste streams.

Impact area	GRI Standards (CRESS) Indicators	EPRA sustainability performance measurement		Measuring unit
Certified assets	CRE 8	Cert-Tot	Mandatory (Energy Performance Certificate - EPC)⁷	
			Share of buildings with an EPC	% of scope
			BELGIUM (EPC score):	
			50-100	% of area in scope with score
			101-200	% of area in scope with score
			201-300	% of area in scope with score
			301-500	% of area in scope with score
			501+	% of area in scope with score
			NETHERLANDS (energy index score):	
			A++ label	% of area in scope with score
			A+ label	% of area in scope with score
			A- label	% of area in scope with score
			B label	% of area in scope with score
			C label	% of area in scope with score
			D label	% of area in scope with score
			E label	% of area in scope with score
			F label	% of area in scope with score
			G label	% of area in scope with score
			Voluntary	
			Sites in "green portfolio"	Number of buildings

⁷ 2019 is the first year that Xior reports on the EPC certificates. The focus is on centralising the data, which is why not all of these scores could be reported for 2019. The type of certification varies from country to country. In Belgium, we measure the EPC (energy performance certificate), while in the Netherlands we measure the EI (Energy Index).

Portfolio						Head office			Page
Total portfolio		Portfolio by country: Belgium		Portfolio by country: The Netherlands					
Absolute measurements (Abs)		Absolute measurements (Abs)		Absolute measurements (Abs)		Absolute measurements (Abs)			
2018	2019	2018	2019	2018	2019	2018	2019	% change	
59	69	35	38	24	31				
									p. 203-204
N/A ⁷	74%	N/A ⁷	66%	N/A ⁷	84%	N/A	N/A	N/A	
	2%		6%						
	6%		22%						
	2%		7%						
	1%		4%						
	0%		1%						
	0%				0%				
	18%				25%				
	17%				23%				
	4%				5%				
	10%				14%				
	8%				12%				
	3%				4%				
	0%				0%				
	0%				0%				
									p. 204
5	8	2	2	3	6				

9.7.2 EPRA SBPR TABLE OF SOCIAL PERFORMANCE INDICATORS

Impact area	GRI Standards (CRESS) Indicators	EPRA sustainability performance measurement		Measuring unit
Employee diversity	405-1	Diversity-Emp	Gender diversity among direct employees	
				All employees ⁸
				% women
				% men
				Management (executive board)
				% women
				% men
				Non-executive board
				% women
				% men
				Other employees ⁸
				% women
				% men
Employee development	405-2	Diversity-Pay	Gender ratio of the salary incl. remuneration	
				All employees ⁸
				Ratio male vs. female
				Management (executive board)
				Ratio male vs. female
				Non-executive board
				Ratio male vs. female
				Other employees ⁸
				Ratio male vs. female
Employee development	404-1	Emp-Training	Employee development training	Average number of hours per employee
Employee development	404-3	Emp-Dev	Performance appraisal of employees	% of employees with performance appraisal
Employee development	401-1	Emp-Turnover	Employee turnover and retention ⁸	
				New employees
				Number
				%
				Former employees
				Number
				%
Health and safety	403-2	H&S-Emp	Health and safety of employees	
				Accidents
				Ratio
				Absentee rate due to illness
				Ratio
				Lost days
				Ratio
				Work-related fatalities
				Number
Health and safety	416-2	H&S-Assets	Health and safety assessments of our assets	
				Mandatory assessment in the context of obtaining the permit
				% of assets in the scope of measurement
Health and safety	403-2	H&S-Comp	Incidents of non-compliance with health and safety assessments	Number of incidents in the scope of measurement
Community	413-1	Comty-Eng	Our impact on the community	
				Impact on the student community
				% of assets in the scope of measurement with a student coach

Performance		Pag
2018	2019	
		p. 193
40%	39%	
60%	61%	
N/A ⁹	0%	
N/A ⁹	100%	
N/A ⁹	25%	
N/A ⁹	75%	
N/A ⁹	42%	
N/A ⁹	58%	
		p. 193
N/A ⁹	1.80	
N/A ⁹	N/A ¹⁰	
N/A ⁹	1.20	
1.00	1.02	
N/A ⁹	2.8	p. 194
100%	61%	p. 194
		p. 192
7	37	
28%	54%	
4	7	
16%	10%	
		p. 196
0	0	
2.17%	0.56%	
0	0	
0	0	
		p. 195
N/A ⁹	100%	
N/A ⁹	3	p. 195
		p. 197-200
N/A ⁹	54%	

9.7.3 EPRA SBPR TABLE OF GOVERNANCE PERFORMANCE INDICATORS

Impact area	GRI Standards (CRESS) Indicators	EPRA sustainability performance measurement	Measuring unit	Performance 2019	Page
				Totaal	
Governance	102-22	Gov-Board	Composition of body (Board)	Infra 6.1.4, 6.1.5 and 6.1.8 Corporate Governance - Board of Directors, Composition & Reliability, Expertise and Experience	p.79-82
			Number of executive board members	number	2
			Number of independent/non-executive board members	number	4
			Average term	years	4
			Competences of board members relating to environmental and social topics	number	6 ³⁵
	102-24	Gov-Select	Process for nominating and selecting the Board	Infra 6.1.4.1 Corporate Governance - General	p.79
	102-25	Gov-Col	Process for managing conflicts of interest	Infra 6.1.14 Corporate Governance - Conflicts of interest	p.88

9.8

MEASUREMENT METHODOLOGY AND ASSUMPTIONS

Xior reports environmental, social and governance performance in accordance with the EPRA Sustainability Best Practice Recommendations (SBPR). This reporting is divided into several sections consisting the overarching EPRA recommendations, the environmental performance indicators, the social performance indicators and the governance performance indicators.

9.8.1 REPORTING PERIOD AND ORGANISATIONAL BOUNDARIES

The reporting period of this report is equal to that of the annual financial report, in this case the financial year 2019. From now on, Xior will publish an annual update of its activities in the field of sustainability in this report. Xior's portfolio was analysed on 31 December 2019, when a selection was then made of the assets to be included in the calculation scope of the EPRA indicators.

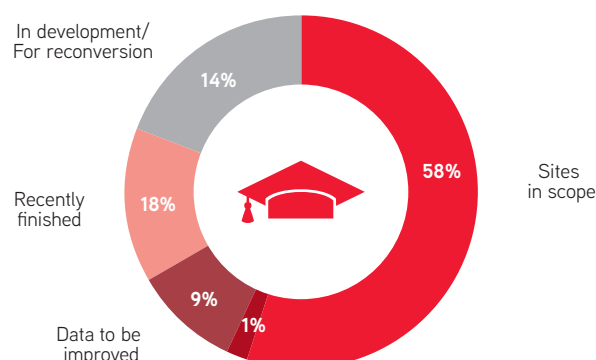
A distinction is made between 'core' and 'non-core' assets in the portfolio. Student accommodation is the largest part of the total portfolio and is Xior's core business. Currently, 99% of the fair value falls under core business. The portfolio outside the scope (1%) is diverse and includes retail, car parks and offices.

For some of these 'core' assets, no data is currently available, which means they will also be excluded from the 2019 scope of measurement:

- 14% of the fair value comes from sites under development or awaiting reconversion.
- 18% of the sites have been completed too recently to be able to collect sufficient data.
- For 9% of the sites an extra effort is made to collect qualitative consumption data (e.g. takeover management by third parties, incomplete data, etc.).

In accordance with the extrapolation methodology, sites for which at least one month of data is not available are excluded.

Distribution of the portfolio according to fair value



9.8.2 MEASURING SCOPE AND COVERAGE

In 2019, 58% of the total fair value belonged to the measurement scope. This corresponds to 69 student residences and the Xior head office. Consumption data was collected based on invoice data. In the event of incomplete or missing data, the data was extrapolated according to the EPRA guidelines or the site was not considered.

In Chapter 9.7 you can find the EPRA tables with the various performances, including the share of buildings in scope for each of the performance indicators and the size of the extrapolation.

9.8.3 ESTIMATION AND EXTRAPOLATION OF CONSUMPTION DATA UNDER THE RESPONSIBILITY OF XIOR

As indicated earlier, at the time of publication of this report, not all data is available for the 2019 measurement year. If data is available for at least one month, this data has been extrapolated according to EPRA guidelines. If no data is available for 2019, the building is not included in the calculation. If no data is available for more than 200 days of the year, extrapolation is made based on averages for the previous year.

Consumption in 2018 was adjusted based on actual figures from invoices and measurements. Buildings with data for both 2019 and 2018 fall within the like-for-like scope.

9.8.4 REPORTING OF CONSUMPTION DATA UNDER THE RESPONSIBILITY OF XIOR AND UNDER THE RESPONSIBILITY OF THE STUDENT

Xior reports in accordance with an "operational control approach", which means that all utility data for the reported assets is based entirely on invoices for Xior's attention. Previously, part of the tenant's portfolio was covered by an individual electricity contract for the leased unit. This report contains only the consumption purchased by Xior as landlord and does not include the tenant's own consumption data (invoices received directly by the tenant). It is Xior's ambition to internalise these contracts wherever possible.

In 2019, Xior was already responsible for most of the contracts for the student accommodation in the measurement scope. For electricity bills it concerns 91% of the buildings, for natural gas and heating networks 100% of the buildings and for water bills 97%. By managing the contracts itself, late payment is avoided and Xior can enter into optimal electricity contracts on a larger scale.

9.8.5 REPORTING FROM THE HEAD OFFICE

This year, the head office was added to the report. This concerns the space that Xior occupies at its head office in Antwerp. For the head office, only the consumption related to the floors occupied in the building is reported. The data is taken from consumption invoices for the attention of Xior. In accordance with the EPRA methodology and in accordance with the reporting on these assets, the percentage of the data that has been extrapolated is also indicated here. Only the water bill is communal. At the moment, Xior has no insight into its own share of consumption.

9.8.6 ANALYSIS OF THE CALCULATION

Standardisation and intensities

Xior calculates the intensity indicators based on the floor area (m²), since this variable is comparable across the entire scope. To do this, Xior uses the data based on primary energy. In order to calculate a relevant intensity indicator, on the one hand sites were excluded for which data falls under the name of the student and on the other hand only sites for which data was available for each type of energy consumed on the site were included.

Consumption data was not standardised according to degree day analyses. No hypotheses were added in order to keep the uncertainties in the calculations as low – and as visible – as possible. With the current method of energy supply, it is not possible to distinguish between the proportion of energy used to heat rooms and that used to heat sanitary water. After all, the latter is independent of the number of degree days and therefore of whether or not the winter is mild.

In addition, Xior is aware that not for all of the sites it is known whether or not they are electrically heated by the placement of heating elements by the students themselves. Improving on this point is part of the commitment to evolve towards improved data centralisation so that appropriate measures can be taken as part of the company's own sustainability commitments.

Segmentation analysis: geographical location

Within the measurement scope, all sites fall under the 'core' category of 'student accommodation'. Therefore, no distinction was made per type of asset in the reporting, but one based on geographical segmentation. After all, energy suppliers often differ from country to country, as does the climate impact of electricity production. Since the Netherlands, for example, has more carbon-intensive electricity production, it might be more interesting to focus on greening electricity there first. The EPRA tables showing the various performances, including the breakdown by country, are provided in Chapter 9.7.

Measurement methodology of climate impact

To measure the climate impact related to the core business, CO₂ emissions were calculated according to the Greenhouse Gas (GHG) Protocol. This protocol makes it possible to calculate the climate impact of companies in a consistent manner. Both CO₂ and other greenhouse gases released during the production of the energy demand (CH₄, N₂O) are taken into account and expressed in CO₂ equivalents.

Xior calculates scope 1 (direct on-site emissions – natural gas), scope 2 (emissions of electricity and heat produced elsewhere) and some scope 3 emissions (grid losses) by multiplying the consumption by the corresponding emission factors. The emission factors originate from the Bilan Carbone[®] database, which is used universally.

The protocol prescribes that the climate impact of electricity can be calculated both based on an average CO₂ intensity per kWh of the national electricity networks ('location-based') as well as based on the producer's energy mix ('market-based'). In this first exercise, the climate impact was calculated using the location-based approach. Over the next few years, Xior aims to analyse and, if necessary, re-evaluate the energy contracts in collaboration with the various producers.

9.9

EXTERNAL VERIFICATION OF REPORTING

INDEPENDENT LIMITED ASSURANCE REPORT ON EPRA SUSTAINABILITY INDICATORS 2019 OF XIOR STUDENT HOUSING

This report has been prepared in accordance with the terms of our engagement contract dated 28 January 2020, whereby we have been engaged to issue an independent limited assurance report in connection with the EPRA sustainability indicators as included in the 2019 Annual Report of Xior Student Housing NV (the "Report").

Responsibility of Board of Directors

The Board of Directors of Xior Student Housing NV ("the Company") is responsible for the preparation of the EPRA sustainability indicators as included in chapter 9.7 of the 2019 Annual Report of Xior Student Housing NV (the "Subject Matter Information"), in accordance with the EPRA Sustainability Best Practices Recommendations Guidelines (the "Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Board of Directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we

have obtained. Our assurance report has been prepared in accordance with the terms of our engagement contract. We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information". This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria issued by the Company.

The objective of a limited-assurance engagement is to perform the procedures we consider necessary to provide us with sufficient appropriate evidence to support the expression of a conclusion in the negative form on the Subject Matter Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The selection of such procedures depends on our professional judgment, including the assessment of the risks of management's assertion being materially misstated. The scope of our work comprised the following procedures:

- Assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject

Matter Information as of and for the year ended 31 December 2019 presented in the Report;

- Conducting interviews with responsible officers including site visits;
- Inspecting internal and external documents.

We have evaluated the Subject Matter Information against the Criteria. The accuracy and completeness of the Subject Matter Information are subject to inherent limitations given their nature and the methods for determining, calculating or estimating such information. Our Limited Assurance Report should therefore be read in connection with the Criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on the procedures performed, as described in this Independent Limited Assurance Report, and the evidence obtained, nothing has come to our attention that causes us to believe that the EPRA sustainability indicators as included in chapter 9.7 of the 2019 Annual Report of Xior Student Housing, are not fairly stated, in all material respects, in accordance with the Criteria.

Restriction on Use and Distribution of our Report

Our report is intended solely for the use of the Company, in connection with their Report as of and for the year ended 31 December 2019 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Sint-Stevens-Woluwe, 17 April 2020

PwC Bedrijfsrevisoren BV
Represented by

Marc Daelman¹
Registered auditor

¹ Marc Daelman BV, member of the Board of Directors, represented by its permanent representative Marc Daelman



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Financial report

10.1

CONSOLIDATED INCOME STATEMENT

Numbers in thousands EUR.

		Note	31/12/2019	31/12/2018
I.	(+)	Rental income	45,056	30,246
	(+)	Rental income	41,347	27,191
	(+)	Rental guarantees	3,979	3,106
	(+/-)	Rent reductions	-270	-52
III.	(+/-)	Rent-related expenses	-125	-165
		Impairments of trade receivables	-125	-165
		Net rental income	10.9.1	44,931
V	(+)	Recovery of rental charges and taxes normally payable by the tenants for let properties	8,193	4,952
		Transmission of rental charges borne by the proprietor	8,055	4,822
		Charges for withholding tax and taxes on let properties	138	130
VII	(-)	Rental charges and taxes normally payable by the tenants for let properties	-9,012	-5,544
		Rental charges borne by the proprietor	-8,869	-5,422
		Advance levies and taxes on let properties	-143	-122
VIII	(+/-)	Other rent-related income and expenditure	1,395	1,230
		Property result	10.9.1	45,508
IX	(-)	Technical costs	-1,538	-844
		- Recurring technical costs	-1,621	-825
	(-)	Maintenance	-1,282	-654
	(-)	Insurance premiums	-339	-171
		- Non-recurring technical costs	83	-19
	(-)	Damages	83	-19
X	(-)	Commercial costs	-390	-335
	(-)	Publicity	-334	-322
	(-)	Lawyers' fees and legal costs	-56	-13
XI	(-)	Costs and taxes for non-let properties	-423	-240
XII	(-)	Property management costs	-2,946	-1,802
	(-)	Management costs (external)	-768	-1,246
	(-)	Management costs (internal)	-2,178	-556
XIII	(-)	Other property charges	-1,697	-1,080
	(-)	Architects' fees	-4	-1
	(-)	Valuation expert fees	-312	-191
	(-)	Other	-1,381	-887
		Property charges	10.9.2	-6,994

Property operating result			38,515	26,418
XIV (-)	General company expenses	10.9.3	-3,500	-3,149
XV (+/-)	Other operating result and costs	10.9.4	54	53
Operating result before result on the portfolio			35,069	23,323
XVI (+/-)	Result from the sale of investment properties			
(+)	Net property sales (sales price – transaction fees)			
(-)	Book value of the sold property			
XVIII (+/-)	Variations in the Fair Value of investment property	10.9.5	17,982	5,372
(+)	Positive variations in the fair value of the investment property		25,820	8,826
(-)	Negative variations in the fair value of the investment property		-7,839	-3,454
XIX (+/-)	Other portfolio results	10.9.5	-22,005	351
Operating result			31,046	29,044
XX (+)	Financial income		261	183
(+)	Interest and dividends collected		261	183
XXI (-)	Net interest costs		-7,478	-4,079
(-)	Nominal interest paid on loans		-4,720	-2,276
(-)	Breakdown of the nominal amount of financial debt		-218	-87
(-)	Costs of permitted hedging instruments		-2,540	-1,716
	Permitted hedging instruments that are not subject to hedging accounting as defined by the IFRS		-2,540	-1,716
XXII (-)	Other financial costs		-404	-284
(-)	Bank costs and other commissions		-378	-253
(-)	Other		-26	-31
XXIII (+/-)	Variations in the fair value of financial assets and liabilities		-9,150	-5,393
	Permitted hedging instruments that are not subject to hedging accounting as defined by the IFRS		-9,150	-5,393
	Other			
Financial result		10.9.6	-16,771	-9,572
(-)	Share in the result of associated companies and joint ventures		-1,398	270
Result before taxes			12,877	19,742
XXV (+/-)	Corporate tax		-5,093	-3,637
XXVI (+/-)	Exit tax		-124	0
Taxes		10.9.7	-5,218	-3,637
Net result			7,659	16,105

Nulbers in thousands EUR.

Result per share	31/12/2019	31/12/2018
Number of ordinary shares in circulation	19,133,129	13,768,815
Weighted average number of shares	14,996,135	11,109,319
Net result per ordinary share (in EUR)	0.51	1.45
Diluted net result per ordinary share (in EUR)	0.51	1.45
EPRA earnings per share (in EUR)	0.51	1.46

The earnings per share were based on the weighted average number of shares in circulation during the financial year of 2019.

10.2 CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Number in thousands EUR.

	31/12/2019	31/12/2018
Net result	7,659	16,105
Other components of the comprehensive income		
(+/-) Impact on the fair value of the estimated transaction costs and costs resulting from hypothetical disposal of investment properties	0	0
(+/-) Variations in the effective part of the fair value of permitted cash flow hedging instruments	0	0
Comprehensive result	7,659	16,105
Attributable to:		
Minority interests	127	0
Group shareholders	7,532	16,105

10.3

CONSOLIDATED BALANCE SHEET

Numbers in thousands EUR.

Assets	Note	31/12/2019	31/12/2018
Fixed assets		1,255,584	823,559
A Goodwill			
B Intangible fixed assets		52	13
C Investment property	10.9.8	1,190,791	814,908
Property available to let		1,111,685	735,927
Property developments		79,106	78,981
D Other tangible fixed assets	10.9.9	851	698
Tangible fixed assets for own use		851	698
Other			
E Financial fixed assets	10.9.10	25	21
Assets held until maturity			
Other		25	21
F Financial leasing receivables			
G Trade receivables and other fixed assets	10.9.11	135	135
H Deferred taxes – assets		96	460
I Participating interests in associated companies and joint ventures with equity movements	10.9.12	63,635	7,325
Current assets		20,945	38,192
A Assets for sale			
Investment property			
Property certificates			
Other assets			
D Trade receivables	10.9.13	1,163	1,218
E Tax receivables and other current assets	10.9.14	13,410	34,225
Taxes		714	738
Wages and social security contributions			
Other		12,695	33,487
F Cash and cash equivalents	10.9.15	4,269	1,677
G Accruals and deferred payments	10.9.16	2,103	1,074
Prepaid property charges		1,247	9
Accrued rental income not due		36	980
Other		820	85
Total assets		1,276,529	861,752

Liabilities		Note	31/12/2019	31/12/2018
Equity		10.4	625,808	410,019
I	Equity attributable to parent company shareholders		610,428	410,019
A	Capital	10.9.17	342,125	245,672
	Issued capital		344,396	247,839
	Capital increase costs		-2,271	-2,167
B	Issue premiums	10.9.17	276,441	147,239
C	Reserves	10.4	-16,108	1,003
	Statutory reserves			
	Reserve for the balance of variations in the fair value of property		29,530	19,333
	Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property		-22,072	-19,065
	Reserve for the balance of the variations in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in the IFRS		-8,184	-924
	Non-distributable reserve: reserve for foreseeable losses			
	Other reserves		-19,447	0
	Retained earnings from previous financial years		4,066	1,659
D	Net result for the financial year		7,969	16,105
II	Minority interests		15,381	0
Liabilities			650,720	451,733
I	Non-current liabilities		582,035	424,203
A	Provisions			
	Pensions			
	Other			
B	Non-current financial debts	10.9.23	500,425	401,177
a	Credit institutions		500,425	401,177
b	Financial leasing			
C	Other non-current financial liabilities	10.9.20	15,467	6,317
	Permitted hedging instruments		15,467	6,317
	Other			
E	Other non-current liabilities		19,329	0
F	Deferred taxes – liabilities	10.9.22	46,813	16,709
a	Exit tax		0	34
b	Other		46,813	16,675

I	Current liabilities		68,685	27,530
B	Current financial liabilities		1,706	1,637
a	Credit institution		1,706	1,637
D	Trade debts and other current liabilities	10.9.24	10,806	8,899
	Exit tax		206	0
	Other		10,600	8,899
	Suppliers		5,657	6,486
	Tenants		686	184
	Taxes, wages and social security contributions		4,257	2,229
E	Other current liabilities	10.9.25	50,906	13,263
	Other		50,906	13,263
F	Accruals and deferred payments	10.9.26	5,266	3,731
	Deferred income		1,176	1,035
	Accrued interest not due and other costs		2,083	907
	Other		2,007	1,791
Total equity and liabilities			1,276,529	861,752

10.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Numbers in thousands EUR.

Balance sheet as of 31 December 2017

Net appropriation of income 2017
Transfer of result on the portfolio to reserves
Transfer of operating result to reserves
Result for the period
Other elements recognised in the comprehensive result
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property
Variations in the fair value of financial assets and liabilities
Issue of new shares
Capital increase through non-cash contribution
Costs of issuing new shares and of capital increase
Partial allocation of capital to issue premiums
Dividends

Balance sheet as at 31 December 2018

Net appropriation of income 2018
Transfer of result on the portfolio to reserves
Transfer of operating result to reserves
Result for the period
Other elements recognised in the comprehensive result
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property
Variaties in de reële waarde van financiële activa en passiva
Issue of new shares
Capital increase through non-cash contribution
Costs of issuing new shares and of capital increase
Partial allocation of capital to issue premiums
Put option for minority interests
Dividends
Other reserves

Balance sheet as at 31 December 2019

	Capital	Issue premiums	Reserves	Net result of the financial year	Minority interests	Equity
	144,188	69,877	-1,728	10,954		223,291
			239	-239		0
			1,550	-1,550		0
				16,105		16,105
			942	-942		0
	134,011					134,011
	48,117					48,117
	-46	-3,236				-3,282
	-80,598	80,598				0
				-8,223		-8,223
	245,672	147,239	1,003	16,105		410,019
			7,190	-7,190		0
			2,289	-2,289		0
				7,659		7,659
			-7,259	7,259		0
	211,761					211,761
	17,997					17,997
	-104	-4,000				-4,104
	-133,201	133,201				0
			-19,329			-19,329
				-13,887		-13,887
				309	15,381	15,381
	342,125	276,440	-16,108	7,968	15,381	625,808

Numbers in thousands EUR.

Detail of reserves

Balance sheet as at 31 December 2017

Net appropriation of income

Transfer of result on the portfolio to reserves

Transfer of operating result to reserves

Other elements recognised in the comprehensive result

Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property

Variations in the fair value of financial assets and liabilities

Issue of new shares

Capital increase through non-cash contribution

Costs of issuing new shares and of capital increase

Capital reduction to create an available reserve to cover future losses

Deferred taxes for Dutch real estate

Dividends

Other

Balance sheet as at 31 December 2018

Net appropriation of income

Transfer of result on the portfolio to reserves

Transfer of operating result to reserves

Other elements recognised in the comprehensive result

Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property

Variations in the fair value of financial assets and liabilities

Issue of new shares

Capital increase through non-cash contribution

Costs of issuing new shares and of capital increase

Capital reduction to create an available reserve to cover future losses

Deferred taxes for Dutch real estate

Dividends

Other

Balance sheet as at 31 December 2019

	Reserve for the balance of variations in the fair value of property	Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	Reserve for the balance of the changes in the Fair Value of permitted hedging instruments that are subject to hedging accounting as defined in the IFRS	Available reserve: reserve for foreseeable losses	Other reserves	Retained earnings from previous financial years	Total of the reserves
	6,668	-6,642	-1,866	0	0	112	-1,728
						10,954	10,954
	12,665	-12,422				-243	0
			942			-942	0
						-8,223	-8,233
	19,333	-19,064	-924	0	0	1,658	1,003
						16,105	16,105
	10,197	-3,007				-7,190	0
			-7,259			7,259	0
						-13,887	-13,887
						-19,329	-19,329
	29,530	-22,071	-8,183	0	0	-15,384	-16,108

10.5

CONSOLIDATED CASH FLOW STATEMENT

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Cash and cash equivalents at the start of the period	1,677	815
1 1. Cash flow from operating activities	-45,813	-24,770
Cash flow from operations	20,533	24,875
Operating result	31,045	29,044
Interest paid	-8,047	-3,512
Interest received		
Other	-2,465	-657
Non-cash elements added to / subtracted from the result	-5,285	-8,696
Amortisations and depreciations	169	87
Amortisations / impairments (or writebacks) on tangible and intangible assets	169	87
Other non-cash elements	-5,454	-8,783
Variations in the fair value of property investments	-3,324	-5,722
Other non-cash elements	-2,130	-3,061
Change in working capital requirements³⁶	-61,061	-40,948
Movement of assets:	-29,483	-22,737
Trade receivables and other receivables	168	1,192
Tax receivables and other current assets	-28,865	-23,256
Accruals and deferred payments	-786	-673
Movement of liabilities:	-31,578	-18,211
Trade debts and other current liabilities	-33,387	-9,577
Other current liabilities	3,938	-8,673
Accruals and deferred payments	-2,129	39
2 Cash flow from investment activities	-252,915	-237,478
Acquisition of investment property and property developments	-59,700	-146,771
Sale of investment property		
Purchase of shares in real estate companies	-170,592 ⁽¹⁾	-90,249
Sale of shares in real estate companies		
Acquisition of other tangible assets	-305	-426
Acquisition of non-current financial fixed assets	-22,318	-32
Receivables on trade and other non-current assets		
Assets held for sale		

³⁶ The movement in the working capital cannot be reconciled to the movement on the balance sheet, due to the fact that a correction was made for the impact of the 2019 acquisitions.

3	Cash flow from financing activities	297,729	261,637
	Change in financial liabilities and financial debts		
	Increase in financial debts	190,577	234,130
	Decrease in financial debts	-102,000	-95,000
	Repayment of shareholder loans		
	Change in other liabilities		
	Increase (+)/decrease (-) in other liabilities	15,381	0
	Increase (+)/decrease (-) in other debts		
	Increase in minority interests		
	Change in equity		
	Increase (+)/decrease (-) in capital/issue premiums	201,681	130,776
	Other		
	Costs for the issue of shares	-104	-46
	Dividend		
	Dividend for the previous financial year	-7,806	-8,223
	Increase in cash following merger/acquisitions	3,590	1,473
	Cash and cash equivalent at the end of the financial year	4,269	1,677

⁽¹⁾ This concerns the price paid for shares in the various real estate companies acquired in 2019. This price does not correspond to the price of the property as the companies were partially financed with loans.

10.6

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

10.6.1 GENERAL CORPORATE INFORMATION

Xior Student Housing NV is a public Regulated Real Estate Company (RREC) that is subject to the application of Belgian law and has its registered office in Antwerp.

The Company's consolidated annual financial statements for the financial year closing on 31 December 2019 include Xior Student Housing NV and its subsidiaries (the '**Group**'). The Board of Directors approved the annual financial statements for publication. They will be submitted to the annual general meeting on 22 May 2020.

10.6.2 IMPORTANT FINANCIAL REPORTING PRINCIPLES

Statement of conformity

The Company's financial reporting has been drawn up in accordance with the IFRS, as approved within the European Union, and the provisions of the Royal Decree on Regulated Real Estate Companies.

These standards include all new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), insofar as these apply to the Company's activity and effectively to the current financial year.

Standards and interpretations applicable for the financial year beginning on or after 1 January 2019

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IAS 19 Plan Changes, Curtailments or Settlement
- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures
- Amendments to IFRS 9 Characteristics of early repayment with Negative Compensation
- Annual improvements to the IFRS (2015-2017) cycle

Standards and interpretations issued but not yet applicable to the annual period starting on 1 January 2019

- Amendments to IAS 1 and IAS 8 Definition of Materiality (applicable for financial years from 1 January 2020)
- Amendments to IFRS 3 Business Combinations (applicable to annual periods beginning on or after 1 January 2020, but not yet approved within the European Union)
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform (applicable for financial years beginning on or after 1 January 2020)
- Amendments to the references to the Conceptual Framework in IFRS-standards (applicable to annual periods starting on or after 1 January 2020)
- IFRS 17 Insurance Contracts (applicable to annual periods starting on or after 1 January 2021, but not yet approved within the European Union)

The Company does not expect that the first application of these standards and interpretations will have a material impact on the financial position and performances.

Xior has not adopted the following new standards (amendments to standards and interpretations):

IFRS 16 – Leases (applicable to annual periods starting on or after 1 January 2019)

IFRS 16 provides a comprehensive model for the identification of lease agreements and their accounting treatment in the financial statements of both the lessor and lessee. Upon becoming effective, this standard supersedes IAS 17 – Leases and the corresponding interpretations.

IFRS 16 introduces significant changes to the accounting treatment of lease agreements for the lessee, eliminating the distinction between operating and finance leases and recognising assets and liabilities for all lease agreements (with the exception of short-term leases and low-value assets). In contrast to the lessee's treatment of lease agreements, IFRS 16 retains almost all provisions from IAS 17 – Leases on the lessor's treatment of lease agreements. This means that lessors must continue to categorise the lease agreements as operational or financial lease agreements.

As Xior acts almost exclusively as a lessor (and has not chosen to reassess whether a contract is or contains a lease agreement in comparison with IAS 17), IFRS 16 is not expected to have any impact on the consolidated financial statements.

10.6.3 ACCOUNTING PRINCIPLES

The financial information is drawn up in thousands of euros, rounded off to the closest thousand. The Company also keeps its books in euros. Investment property (including projects) and hedging instruments are recognised at Fair Value. The other items in the consolidated financial statements are recorded based on historical cost. Please find below a summary of the main financial reporting principles.

10.6.4 SIGNIFICANT ACCOUNTING ESTIMATES AND KEY UNCERTAINTIES

Significant estimates in drawing up of the financial statements

- When control is taken over an entity holding investment property, it is determined whether such an acquisition is considered a business combination. In all cases the respective transactions were processed as direct purchases of assets (also when shares in real estate companies are acquired) and IFRS 3 Business Combinations was not applied (*see note 10.6.6*).
- It is determined whether derivative assets and liabilities qualify for hedge accounting. The Company has no hedging instruments qualifying as hedge accounting and the evolutions in the hedging instruments' fair value is therefore processed in the income statement.

Determining the fair value of investment property

The fair value of the investment property is determined by independent valuation experts in accordance with the Legislation on Regulated Real Estate Companies. The fair value is calculated by the valuation experts using the discounted cash flow method (for more information, see *Chapter 8.2.4.1 of this Annual Report*).

10.6.5 PRINCIPLE FOR CONSOLIDATION

The companies acquired during the last financial year were not processed as business combinations as defined under IFRS 3, but as the purchase of assets, since we only acquired the assets and in certain cases the tenancy agreement and then fully integrated these into our organisation.

i. Subsidiaries

Subsidiaries are entities over which the undertaking exercises control. An undertaking therefore exercises control over a subsidiary if, and only if, the parent undertaking:

- has power over the holding;
- is exposed to, and has rights to variable returns, by reason of its involvement in the holding; and
- is able to use its power over the holding to influence the size of the investor's return.

Minority interests are the interests in subsidiaries that are not held directly or indirectly by the Group.

Changes to the Company's interest in a subsidiary that do not lead to a loss of control are dealt with as equity transactions. The carrying amount of the Group's interest and the minority interests are therefore adapted to reflect the new proportional interests in the subsidiary.

If the Company loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the sum of the fair value of the payment received and the fair value of the interest held, and (ii) the previously recognised carrying amount of the assets (including goodwill), the liabilities of the subsidiary and any minority interests. Amounts that would previously be recognised in the other elements of the total result relating to the subsidiary are recognised in the same manner (reclassification to profit or loss or directly to the retained earnings) as when the disposal of the relevant assets or liabilities occurred. The fair value of any interest retained in the former subsidiary at the date of loss of control is regarded as the fair value on initial recognition for measurement in accordance with IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, as the cost on initial recognition of an associate holding or entity over which joint control is exercised.

ii. **Transactions eliminated from the consolidation**

All transactions between group undertakings, balances and unrealised gains and losses on their transactions are eliminated when the consolidated annual financial statements are prepared.

10.6.6 BUSINESS COMBINATIONS AND GOODWILL

If the Group acquires control over an integrated set of activities and assets, as defined in IFRS 3 Business Combinations, the identifiable assets, liabilities and conditional liabilities of the acquired undertaking are recognised at their fair value on the acquisition date. The goodwill represents the positive difference between the total of the transferred payment, the amount of the minority interests and, if applicable, the fair value of the previously held interest in the acquired party and the Group's share in the fair value of the net identifiable assets. If this difference is negative (negative goodwill), it is immediately posted to the result after a reassessment of the assets.

After its initial recognition, goodwill is not amortised, but subject to an impairment test that is performed each year with the cash-generating units to which the goodwill was allocated. If the carrying amount of the cash-generating unit exceeds the present value of the Company, the ensuing loss in value will be posted to the result and initially recognised to reduce any goodwill and then to the other assets of the unit, in proportion to their carrying amount.

A goodwill impairment is not resumed during a subsequent financial year.

10.6.7 INVESTMENT PROPERTY

i. **General**

Properties that are held for long-term rental income, for their appreciation in value or for both reasons, and that do not serve for the Company's own use, are recorded as an investment property.

Property that is built or developed for future use as an investment property (property development) is also recognised under the item Investment property (see also below).

ii. **Valuation on initial recognition**

Investment property includes all property that is ready for letting and that fully or partially generates rental income. Investment property is valued at the time of purchase at their acquisition value, including additional transaction fees such as professional fees, statutory services, registration duties, other transfer taxes and non-deductible VAT. If the property is acquired via a share transaction, the acquisition price also includes an adjustment for exit tax, which is due by the companies over which the Company acquires direct or indirect control (this is deducted, in principle,

from the value of the underlying property since it is a tax on the latent added value that existed in the acquired company before the acquisition of control), unless these companies are not eligible for a merger with the Company (based on a resolution by the Company's Board of Directors). Commissions relating to the purchase of properties are regarded as additional costs of those purchases and are added to the acquisition value.

If the property is obtained by acquiring the shares of a real estate company, through the contribution in kind of property for the issue of new shares, or through a merger by acquisition of a real estate company, the notarial charges, audit and consulting, merger and other costs are also capitalised.

The property also includes the permanent furnishings and fittings of the student rooms if these are let on a furnished basis.

iii. Valuation after initial recognition

After their initial recognition, the investment properties are appraised by the Valuation Expert.

The Valuation Expert precisely appraises the following components at the end of each quarter:

- The properties, the properties by designated use and the real rights to properties that are held by the Company or, where applicable, by a real estate company over which it has control.

The Valuation Expert first determines the property value, which includes the transfer costs. The registration duties are not deducted from the property value. This valuation is obtained by discounting the actual rental income and/or market rentals (DCF-method – for more information see *Chapter 8.2.4.1 of this Annual Report*), where applicable after deducting the associated costs. The discounting is done on the basis of the yield factor that depends on the inherent risk of the specific property. The Valuation Expert appraises the property in accordance with national and international valuation standards and their application procedures, including in relation to the valuation of a regulated real estate company.

The investment property are then recognised in the balance sheet at the Fair Value, in accordance with IAS 40. The Fair Value of the investment properties is the investment value, as determined by an independent valuation expert, minus the transaction fees. The Fair Value corresponds to the carrying amount under IFRS. From the seller's perspective this must be understood as subject to the deduction of transfer taxes or registration duties. The estimated amount of transfer taxes for properties located in Belgium was fixed at 2.5% for investment property with a value in excess of EUR 2.5 million.³⁷ Transfer taxes of 10% (Flanders) to 12.5% (Brussels and Wallonia), depending on the region in which the buildings are located, must be taken into account for transactions with a global value of less than EUR 2.5 million.

This specifically means that the Fair Value of the property is equal to the investment value divided by 1.025, 1.10 or 1.125, depending on the value of the property. The difference between the Fair Value of the property and its investment value is recognised in the income statement under Variations in the Fair Value of investment property and allocated in the appropriation of the income to the item 'Reserve for the impact on the Fair Value of the estimated transaction costs and costs resulting from hypothetical disposal of investment properties' in the equity.

The independent valuation experts take the theoretical local registration duties into account for buildings located outside Belgium.

Profits or losses arising from changes in the Fair Value of an investment property are recognised in the income statement in the period in which they arise and are allocated in the profit appropriation to the 'Reserve for the balance of the changes in the Fair Value of property'.

³⁷ Belgian Assets Managers Association (BEAMA) press release of 8 February 2006 'Closed-end property investment companies and the first application of the IFRS accounting rules'. This percentage was confirmed in a press release of the BE-REIT Association on 10 November 2016.

10.6.8 PROPERTY DEVELOPMENTS

Property developments include land and buildings in progress as a result of which these only require investments and do not generate any rental income for a certain period.

Properties that are built or developed for future use as an investment property are recognised in the sub item 'Property developments' of the item 'Investment property' and, in accordance with IAS 40, are appraised at their Fair Value until the development is completed. The assets are then transferred to the sub item 'Property available for letting' of the item 'Investment property', still at their Fair Value.

After their initial recognition, the projects are appraised at their Fair Value if all the following criteria are met: (i) the project costs to be incurred can be reliably estimated and (ii) all necessary permits for the property development have been obtained. This Fair Value measurement is based on the valuation by the Valuation Expert (according to the normal methods and assumptions) and takes the costs still to be incurred for the completion of the project into consideration.

All costs directly related to the purchase or development and all subsequent investments that are recognised as transaction fees (costs of new buildings and/or renovations, including the purchase price of the site and site preparation) are recognised in the balance sheet.

If the duration of the project exceeds one year, the interest costs that can be directly attributed to the project are also capitalised as part of the cost price of the property development.

The capitalisation of financing costs, in accordance with IAS 23, as part of the cost price of an eligible asset only happens if:

- expenses are incurred for the asset;
- financing costs are incurred; and
- activities are in progress to prepare the asset for its intended use.

The capitalisation of the financing costs will be suspended for long periods during which the development of the asset is interrupted and stopped in any case when the asset is ready for letting.

The item 'Property developments' is a sub item of the item 'Investment property' and is included in the calculation of the Fair Value of the property portfolio in operation.

10.6.9 EXPENSES FOR WORKS TO INVESTMENT PROPERTY

Expenses for works to investment property are deducted from the property operating result if the expenses do not have any positive effect on the expected future economic benefits, and are capitalised if the expected economic benefits that accrue to the entity increase as a result. There are three types of expenses:

- Costs of structural and occasional maintenance, repairs and refurbishment work on existing furnishings and furniture, including the internal staff costs of the employees who carry out these repairs: these are charged to the operating property result and are included under the item 'technical costs'.
- New investments and replacement investments in furnishings and fittings: these costs are capitalised and added to the Fair Value of the real estate property to the extent that the student rooms are let on a furnished basis and the new investments and replacement investments lead to an increase in rental levels. To the extent that the new furnishings and fittings lead to the maintenance of the rental income, the costs of new investments and replacement investments are deducted from the property operating result. The costs relate to materials and internal staffing costs, where applicable.

- Costs for major renovations and improvements: renovations are occasional works that add a function to the building or significantly increase the existing comfort level and thus imply an increase in the rent and/or rental value. These costs are capitalised and thus added to the Fair Value of the real estate property. These costs relate to materials, fees, construction work and internal staffing costs. The Valuation Expert deducts the value of work still to be completed from the appraisal. On completion, these costs are capitalised and added to the Fair Value of the real estate property.

10.6.10 DISPOSAL OF AN INVESTMENT PROPERTY

Profits or losses made on the sale of an investment property (compared with the Fair Value) are recorded in the income statement of the reporting period under the item 'Income from the sale of investment property'. As the property is sold, both the 'Reserve for the balance of the changes in the Fair Value of property' and the 'Reserve for the impact of the Fair Value of the estimated transaction costs and costs resulting from hypothetical disposal of investment properties' in relation to the sold property are transferred to available reserves.

Commissions paid on the sale of buildings, transaction fees and liabilities entered into as a result of transactions are deducted from the selling price obtained in order to determine the eventual profit or loss.

10.6.11 OTHER TANGIBLE FIXED ASSETS

The tangible fixed assets, other than the investment property, are classified as 'Other tangible fixed assets' and are appraised at their acquisition value, less the accumulated depreciation and impairments. The straight-line depreciation method is applied on the basis of the expected useful life.

In the financial year in which the investment is made, depreciation is recorded on a time-apportioned basis according to the number of months that the asset was in use.

The following depreciation rates apply on an annual basis:

- | | |
|-----------------------------------|-----|
| • Plant, machinery and equipment: | 20% |
| • Furniture: | 10% |
| • Vehicles: | 20% |
| • IT equipment: | 33% |

If there are indications that an asset has possibly undergone a special impairment loss, the carrying amount will be compared with the realisable value. If the carrying amount is higher than the realisable value, a special impairment loss will be recorded.

When tangible fixed assets, other than investment property, are sold or taken out of service, the acquisition value and the related depreciation is removed from the balance sheet and the realised gains or losses are recorded in the income statement.

10.6.12 JOINT VENTURES

Joint ventures have been established by contractual agreement as companies over which the group has joint control. Such joint control applies when the strategic, financial and operational decisions regarding the activity require unanimous

consent from the parties sharing control (the participants in the joint venture). As defined in IFRS 11 Joint Arrangements, the results and the balance sheet impact of joint ventures (Promgranjo, U.hub Benfica and U.hub São João, of which Xior holds 50%, 25% and 40% respectively) are processed according to the equity method. Since there is a call- and put option, the remaining debts to acquire the shares of the joint ventures are incorporated in the balance sheet.

10.6.13 TRADE RECEIVABLES AND OTHER FIXED ASSETS

i. Non-current loans and receivables

Non-current receivables are valued at their amortised cost based on the effective interest method. An impairment is recorded as soon as there is uncertainty regarding the collectability of the debt.

The effective interest method is a method for calculating the amortised cost of a debt instrument and for allocating interest income to the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts (including paid or received commissions and payments that form an integral part of the effective interest rate, as well as transaction fees and all other premiums and discounts) during the expected life of the debt instrument or, if relevant, a shorter period, to the net carrying amount on initial recognition.

ii. Special impairment of financial assets

Financial assets are tested for special impairment when objective indications exist for this purpose. A special impairment loss is deducted directly from the result. The uncollectable trade receivables are written off against the relevant provision account on each balance sheet date.

10.6.14 FIXED ASSETS OR GROUPS OF ASSETS HELD FOR SALE

Fixed assets whose carrying amount will mainly be realised through the sale of the assets and not through further letting, are considered to be held for the purpose of sale. An investment property classified as held for sale is included at Fair Value. Investment property held for sale are valued in the same way as other investment property (at Fair Value) in accordance with IAS 40.

Other fixed assets held for sale are valued at the lower value of their carrying amount and their Fair Value less selling costs (in accordance with IFRS 5.15).

Fixed assets and disposal groups are classified as assets held for sale if their carrying amount will be recovered principally through a sales transaction rather than through continuing use. This condition is only fulfilled when the sale is highly probable and the asset (or disposal group) is immediately available for sale in its current state. The management must have committed to a plan for the sale of the asset (or disposal group) which is expected to qualify for inclusion as a completed sale within one year of the classification date.

10.6.15 FINANCIAL INSTRUMENTS

The Company may use financial derivatives (interest rate swaps) to hedge against interest rate risks originating from operational, financial and investment activities. Financial derivatives are initially recognised at cost and then revalued at their Fair Value on the next reporting date.

After their initial recognition, financial derivatives are valued at Fair Value in the annual financial statements. Profits or losses arising from changes in the Fair Value of financial derivatives are immediately recognised in the income statement, unless a derivative complies with the conditions for hedge accounting. The Fair Value of financial interest rate derivatives is the amount that the Company expects to receive or pay if that derivative ends on the balance sheet date, for which purpose the applicable interest rate, the credit risk of the counterparty concerned, and the credit risk of the undertaking are taken into account.

If a hedging instrument expires or is sold, or no longer complies with the criteria of hedge accounting, the accumulated profits and losses are retained in equity at first. They are recognised in the income statement only once the liability or the hedged cash flow are recognised in the income statement.

10.6.16 CURRENT ASSETS

Current receivables (due in one year or less) are valued at their nominal value, after the deduction of impairments for doubtful or uncollectable receivables.

Special impairment: in accordance with IFRS 9, Xior is required to recognise expected credit losses on trade receivables: Xior takes a simplified approach and recognises the expected losses on all trade receivables using the provisioning matrix to calculate the lifetime expected credit losses on trade receivables as required by IFRS 9 using historical information on lost receivables adjusted for forward-looking information. This change has only a limited impact on the company's result and equity.

Cash and cash equivalents include cash, demand deposits and other current, very liquid investments that can be converted into cash immediately, whose amount is known, and which bear no material risk of impairment.

Current account or term deposits are valued at amortised cost. The additional costs are recognised immediately in the income statement. Listed securities are valued at their stock exchange quotation.

10.6.17 EQUITY

The capital includes the cash resources obtained at the time of incorporation, merger or because of a capital increase. The external costs (fees of notaries, placement partners and so on) that can be immediately allocated to the issue of new shares are deducted from the equity. Due diligence costs are capitalised on the asset.

Dividends form part of the retained result until the general meeting of shareholders that awards them. The dividends are then recorded as a debt.

10.6.18 PROVISIONS

A provision is made if:

- the Company has an existing – legally enforceable or factual – liability due to a past event;
- it is likely that an outflow of resources will be needed to settle the liability; and
- the amount of the liability can be reliably estimated.

The amount that is recognised as a provision is the best estimate of the expenses that are required to settle the existing liability on the balance sheet date, taking into account the risks and uncertainties associated with that liability.

For the sake of completeness, we also refer to *Chapter 10.9.36 of this Annual Report* on legal and arbitration procedures with regard to these provisions.

10.6.19 LIABILITIES

Trade debts are expressed at their nominal value on the balance sheet date.

Interest-bearing loans are initially recognised at their Fair Value, after the deduction of the transaction fees. Interest-bearing loans are subsequently valued at their amortised cost on the basis of the effective interest method, with interest costs recognised according to the effective interest rate.

The effective interest method is a method for calculating the amortised cost of a financial liability and for allocating interest costs to the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts (including paid or received commissions and payments that form an integral part of the effective interest rate, as well as transaction fees and all other premiums and discounts) during the expected life of the financial liability or, if relevant, a shorter period, to the net carrying amount on initial recognition.

10.6.20 PROPERTY RESULT

less the costs associated with letting, such as the rent payable on hired assets and impairments on trade receivables. Rental discounts are distributed across the minimum contract term on the income statement.

'Recuperation of rental charges and taxes normally borne by the tenant in let buildings' mainly includes the recuperation of the costs of heating, water, electricity and the internet by means of a lump-sum, fixed amount for costs that the tenant pays at the start of the tenancy agreement and that is recognised in the result distributed over the term of the tenancy agreement. Property tax is not passed on and remains payable by the Company in case of student housing. For Spain we work with an all-in rent price. On the basis of rental charges, part of the rent paid by the tenant is reclassified from net rental to recovery of rental charges.

'Rental charges and taxes normally borne by the tenant in let buildings' include the communal charges as well as the cost of the property tax. In accordance with IFRIC 21, the debt and cost of the property tax is fully recognised when it becomes due by the Company (in this case, on 1 January of the financial year).

Income is valued at the Fair Value of the payment that is received and is recognised on a straight-line basis in the income statement in the period to which it relates.

10.6.21 PROPERTY CHARGES

Property charges are valued at the Fair Value of the payment that is paid or due and are recognised in the income

statement in the period to which they relate.

'Technical costs' include structural and occasional maintenance and losses from claims covered by insurance companies. 'Commercial costs' include estate agents' fees. The property management costs mainly include: (i) the costs of the personnel responsible for this activity, (ii) the operational costs of the rental agencies and (iii) the fees paid to third parties.

10.6.22 GENERAL EXPENSES OF THE COMPANY AND OTHER OPERATING RESULT AND COSTS

'General expenses' of the Company are costs relating to the management and general operations of the Company. These include general administrative costs, staffing costs for general management, and depreciation on assets that are used for general management.

10.6.23 FINANCIAL RESULT

The financial result consists of interest costs on loans, bank charges and additional financing costs such as the changes of hedging instruments to the extent that these are not effective within the meaning of IAS 39, less the returns on investments.

10.6.24 PROFIT TAX

This item includes the current tax expense on the result of the financial year and the deferred taxes. Profit tax is recorded directly in the result, unless the tax relates to elements that are recognised directly in equity. In that case, the tax is also recognised directly in equity. The current tax expense consists of the expected tax on the taxable income for the year and adjustments for previous financial years.

Deferred tax claims and liabilities are recognised on the basis of the balance sheet method for all temporary differences between the taxable basis and the carrying amount for both assets and liabilities. Deferred tax liabilities are included for all taxable temporary differences. Deferred tax claims are recognised to the extent it is likely that sufficient taxable profit will be realised against which temporary differences can be set off.

Besides the tax on profits, a deferred tax liability is attributed to the latent capital gain of properties in the Netherlands held by the permanent establishment. This deferred tax liability will be adjusted if the Fair Value or carrying amount of the property changes as a result of fluctuations in value or tax depreciation, for example. The calculation of the applied percentage takes into account the projected gross margin on the real estate income in the Netherlands for the coming years.

For Spain and Portugal, a deferred tax liability is also allocated to the deferred capital gain on the property. This latency is booked at 25% and 21% respectively.

10.6.25 EXIT TAX

Deferred taxes for subsidiaries are recorded as the difference between the carrying amount of the investment property after depreciation in the annual financial statements of these subsidiaries, under the Articles of Association, and the Fair Value. These deferred taxes are recorded at a rate of 15% if the Board of Directors of the Company and the subsidiary respectively intend to merge the subsidiary with the Company.

i. General

Exit tax is the corporate tax on the capital gain that is established in a taxed merger of an RREC with a Belgian undertaking that is not an RREC. If this undertaking is included in the Group's scope of consolidation at first, the exit tax will be deducted from the equity of the Company that is to be merged. If the undertaking is not immediately merged with the RREC, adjustments to the exit tax, which prove necessary in relation to the provision amount at the time of the merger, will be recorded via the income statement.

ii. Exit tax rate

The exit tax rate is 12.5% as from assessment year 2020 (financial year starting 1 January 2019).

iii. Principle for calculating the exit tax

The exit tax applies to contributions, mergers, de-mergers and transactions that are equated with mergers or de-mergers, in which the Company participates as an RREC. Such transactions are expressly excluded from tax neutrality. Both the RREC licence and the above transactions in which the Company would participate as an RREC are equated, from a tax perspective, with a dissolution and liquidation of the real estate company or companies involved.

To calculate the exit tax, the actual value of the assets of the Company or of the real estate company or companies involved on the date of the licence or of the relevant transaction is equated with an 'amount paid on the division of the corporate assets'. The positive difference between the amount paid in case of this legal fiction and the enhanced value of the paid-up capital is regarded as a dividend. If the Company participates in a transaction that is equated with a de-merger, the rules on dissolution and liquidation apply only to the separated assets of the real estate company or companies involved.

If the Company is recognised as an RREC, the exit tax is applied to its latent capital gains and exempt reserves at the time it is granted the RREC licence (insofar as this exists at that time). If the Company participates as an RREC in a contribution, merger, de-merger or transaction equated with a merger or de-merger, the exit tax is calculated on the latent capital gains and exempt reserves of the real estate company that makes the contribution by merger, de-merger or an equated transaction. The latent capital gains are calculated as the positive difference between the actual value for tax purposes of the separated assets of the real estate company concerned, on the one hand, and the acquisition value of those corporate assets less the depreciation and impairments accepted for tax purposes on the other hand.

Exit tax, payable by companies whose assets are acquired by an RREC through merger, for instance, is calculated in accordance with Circular Ci.RH.423/567.729 of the Belgian tax authorities dated 23 December 2004, the interpretation or practical application of which may change at any time. The Company calculates the 'actual value for

tax purposes' as referred to in this circular less the registration duties or VAT (that would be applicable if the asset is sold) (the 'Costs payable by the Purchaser') and may differ from – including being lower than – the Fair Value of the property as recognised in the Company's balance sheet in accordance with IAS 40.

iv. **Payment of exit tax**

If the Company engages in a contribution, merger, de-merger or transaction equated with a merger or de-merger as an RREC, the exit tax is payable by the real estate company that makes the contribution to the RREC. If a contribution is made to the Company by way of a merger, the exit tax will be payable by the Company as the acquiring company.

v. **Purpose of the exit tax**

As an RREC, the Company benefits from a special tax regime. Although it is subject to corporation tax, its taxable base is limited to (i) the extraordinary or gratuitous advantages that it receives and (ii) the expenses and costs that cannot be deducted as business costs (other than impairments and capital losses on shares (Article 185bis of the Belgian Income Tax Code 1992)). After becoming licensed as an RREC, the Company is thus not taxed on its accounting result, which also implies that its capital gains are not included in its taxable base. The exit tax was introduced to prevent the Company from being definitively exempt from paying tax on the latent, unrealised capital gains and exempt reserves it possesses on the licensing date. With the levying of exit tax, the Company is deemed, as it were, to have settled its past obligations on the date it becomes a licensed RREC. The same reasoning applies to the real estate company or companies involved in a merger, de-merger or a transaction equated with a merger or de-merger in which the Company participates as an RREC.

vi. **Accounting treatment**

The exit tax is the corporate tax on capital gains that is established for the taxed merger of an RREC with a non-RREC undertaking. The exit tax due on this capital gain is recognised when the non-RREC undertaking is included in the Group's scope of consolidation for the first time. In principle, the provision for exit tax is revised in the interim only if it needs to be increased because of the appreciation of this undertaking's property. Any over-estimate because of depreciation will be determined only once the merger is actually concluded. These adjustments to the exit tax liability are recorded via the income statement.

10.6.26 FINANCIAL RISK MANAGEMENT

i. **Changes in interest rates**

Higher interest rates lead to an increase in financial expenses and a fall in EBIT. In the current context of negative interest rates, the method by which some banks set a minimum percentage of 0% for the Euribor rate used as a reference in financing contracts has a negative impact on the financial expenses. Xior Student Housing uses IRS-type assets and liabilities to hedge the interest rate risk on long-term loans with variable interest rates. An interest rate swap is an agreement between two parties in which the variable interest rate is exchanged for a fixed interest rate. The pursued interest rate policy has hedged 97% of loans drawn down to a fixed interest rate. The average interest rate of the public RREC is 2.02%. Please refer to *Chapter 10.9.23 of this Annual Report* for the potential impact of interest changes.

ii. **Financing risk**

The long-term financing was concluded in the form of bullet loans. These are loans where the entire principal is paid in full after three to seven years. The diversification of the financing across various banks limits Xior Student Housing's liquidity risk. The loans were all taken out at a fixed interest rate. Xior Student Housing has completed the necessary hedging transactions and converted 97% of its loans drawn down to a fixed interest rate. The effect of interest rate changes on the net result is therefore limited.

iii. Credit risk

Xior Student Housing monitors rent arrears closely. In case of non-payment, the Company usually uses a rent deposit. For further details, please refer to *Chapter 10.9.13 of this Annual Report*.

10.7

SEGMENT INFORMATION

The segmentation basis for reporting by segment is by geographic region. The rental income is broken down by geographic location: Belgium, the Netherlands and Iberia (Spain and Portugal). Every location is broken down further into students and other. Commercial decisions are taken at this level and rental income and occupancy rate are also followed up at this level.

The unallocated amounts category includes all expenses that cannot be allocated to a segment.

In the income statement, only the net rental income is broken down by segment.

31/12/2019

Numbers in thousands EUR.

	Belgium		The Netherlands		Iberia		Non-allocated amounts	Total
	Students	Other	Students	Other	Students	Other		
Net rental income	10,230	1,704	25,506	5,864	1,470	157		44,932
Property result							577	45,509
Property charges							-6,994	-6,994
Property operating result								38,516
General expenses							-3,500	-3,500
Other operating income and costs							54	54
Operating result before result on the portfolio								35,070
Result from the sale of investment property								
Variations in the Fair Value of investment property	5,460	35	12,932	-445				17,982
Other portfolio results	-4,180		437		-19,346		1,084	-22,005
Operating result								31,045

Financial result						-16,771	-16,771
Share in the result of associated companies and joint ventures	204					-1,602	-1,398
Result before taxes							12,876
Taxes						-5,218	-5,218
Net result							7,658
EPRA earnings							16,179
Result on the portfolio	1,280	35	13,369	-445		1,084	15,323
Total assets	282,935	27,082	632,985	109,290	138,499	85,738	1,276,529
Investment property	282,935	27,082	632,985	109,290	138,499		1,190,791
Other assets						85,738	85,738
Total liabilities and equity						1,276,528	1,276,528
Equity						625,808	625,808
Liabilities						650,720	650,720

31/12/2018

Numbers in thousands EUR.

	Belgium		The Netherlands		Non-allocated amounts	Total
	Students	Other	Students	Other		
Net rental income	8,613	811	17,084	3,573		30,081
Property result					637	30,718
Property charges					-4,301	-4,301
Property operating result						26,418
General expenses					-3,149	-3,149
Other operating income and costs					53	53
Operating result before result on the portfolio						23,323
Result from the sale of investment property						
Variations in the Fair Value of investment property	-120	939	4,475	77		5,371
Other portfolio results			397		-46	351

Operating result						29,044
Financial result					-9,572	-9,572
Share in the result of associated companies and joint ventures	270					270
Result before taxes						19,742
Taxes					-3,637	-3,637
Net result						16,105
EPRA earnings						16,179
Result on the portfolio	-120	939	4,872	77	-46	5,722
total assets	197,971	26,844	518,571	71,522	46,844	861,752
Investment property	197,971	26,844	518,571	71,522		814,908
Other assets					46,844	46,844
Total liabilities and equity					861,752	861,752
Equity					410,019	410,019
Liabilities					451,733	451,733

10.8

ALTERNATIVE PERFORMANCE MEASURES (APMS)³⁸

APM terms	Definition	Use
EPRA earnings	The net result +/- variations in the fair value of the investment property +/- other portfolio result +/- result from the sale of investment property +/- variations in the fair value of financial assets and liabilities +/- deferred taxes with regard to IAS 40 adjustments.	Measuring the results of the strategic operational activities, excluding variations in the fair value of the investment property, other portfolio result, the result from the sale of investment property and variations in the fair value of financial assets and liabilities and the deferred taxes with regard to IAS 40. This indicates the extent to which dividend payments are supported by earnings.
Result on the portfolio	Income from the sale of investment property +/- variations in the fair value of the investment property +/- other portfolio result.	Measuring the realised and unrealised gain / loss on investment property.

Average interest rate	Interest charges including IRS-interest expense divided by the average outstanding debt during the period.	Measuring the average debt interest costs to allow a comparison with peers and analysis of the evolution over time.
Average interest rate excl. IRS-interest charges	Interest charges excluding IRS-interest expense divided by the average outstanding debt during the period.	Measuring the average debt interest costs to allow a comparison with peers and analysis of the evolution over time.
Average financing costs	Interest costs including IRS-interest expense + arrangement fees and commitment fees, divided by the average outstanding debt during the period.	Measuring the average debt financing cost to allow a comparison with peers and analysis of the evolution over time.
Average financing cost excl. IRS-interest charges	Interest charges including IRS-interest charges + arrangement fees and commitment fees, divided by the average outstanding debt during the period.	Measuring the average debt financing cost to allow a comparison with peers and analysis of the evolution over time.
EPRA earnings per share	Net result +/- income from the sale of investment property +/- variations in the fair value of investment property +/- other portfolio result +/- variations in the fair value of financial assets and liabilities +/- deferred taxes for IAS 40 adjustments divided by the average number of shares.	Comparability with other RRECs and international property players.
EPRA NAV	This is the net asset value (NAV) that has been adjusted to also include property and other investments at their fair value and to exclude certain elements that are not expected to actually take shape in a business model with long-term investment property.	Comparability with other RRECs and international property players.
EPRA NNAV	EPRA NAV adjusted to take into account (i) the Fair Value of the assets and liabilities, (ii) the Fair Value of debts and (iii) the deferred tax.	Comparability with other RRECs and international property players.
EPRA Net Initial Yield (NIY)	Annualised gross rental income based on the current rent on the closing date excluding the property charges divided by the portfolio market value plus the estimated transaction rights and costs in case of hypothetical disposal of investment property.	Comparability with other RRECs and international property players.
EPRA Adjusted Net Initial Yield (Adjusted NIY)	This measure integrates an adjustment of the EPRA NIY for the end of rent-free periods or other non-expired rental incentives.	Comparability with other RRECs and international property players.

EPRA rental vacancy	Estimated rental value of vacant units divided by the estimated rental value of the total portfolio.	Comparability with other RRECs and international property players.
EPRA cost ratio (incl. vacancy costs)	EPRA costs (including vacancy costs) divided by the gross rental income, less the rent still to be paid on rented land.	Comparability with other RRECs and international property players.
EPRA cost ratio (excl. vacancy costs)	EPRA costs (excluding vacancy costs) divided by the gross rental income, less the rent still to be paid on rented land.	Comparability with other RRECs and international property players.
Financial result (excl. variations in the fair value of financial assets and liabilities)	Financial result corrected for the variations in the fair value of financial assets and liabilities.	Comparability with other RRECs and international property players.

EPRA NAV: The deferred taxes were adjusted in the EPRA NAV as at 31 December 2018. This modified calculation is more in line with the calculation of the EPRA NAV under the EPRA frame of reference³⁹.

This changed calculation has a positive impact of EUR 1.21 on the EPRA NAV per share as at 31 December 2018.

Alternative Performance Measures (APMs): reconciliation tables

EPRA earnings	31/12/2019	31/12/2018
Net result	7,659	16,105
Variations in the fair value of the investment property	-17,982	-5,372
Other portfolio results	22,005	-351
Result from the sale of investment properties	0	0
Variations in the fair value of financial assets and liabilities	9,150	5,393
Share in the result of joint ventures and associated companies	1,398	-270
Deferred taxes with regard to IAS 40 adjustments	1,872	673
EPRA earnings	24,103	16,179

Result on the portfolio	31/12/2019	31/12/2018
Result from the sale of investment properties	0	0
Variations in the fair value of the investment property	17,982	5,372

Other portfolio results	-22,005	351
Result on the portfolio	-4,023	5,722

EPRA earnings per share	31/12/2019	31/12/2018
Net result	7,659	16,105
Variations in the fair value of the investment property	-17,982	-5,372
Other portfolio results	22,005	-351
Result from the sale of investment properties	0	0
Variations in the fair value of financial assets and liabilities	9,150	5,392
Share in the result of joint ventures and associated companies	1,398	-270
Deferred taxes with regard to IAS 40 adjustments	1,872	673
Weighted average number of shares	14,996,135	11,109,319
EPRA earnings per share	1.61	1.46
EPRA earnings per share – group share	1.60	1.46

Average interest rate	31/12/2019	31/12/2018
Nominal interest paid on loans	4,720	2,276
Costs of permitted hedging instruments	2,540	1,716
Capitalised interest	2,248	1,612
Average outstanding debt for the period	470,695	304,323
Average interest rate	2.02%	1.84%
Average interest rate excl. costs of permitted hedging instruments	1.48%	1.28%

Average financing costs	31/12/2019	31/12/2018
Nominal interest paid on loans	4,720	2,276
Costs of permitted hedging instruments	2,540	1,716
Capitalised interest	2,248	1,612

Reconstitution of the nominal amount of financial debt	218	87
Bank costs and other commissions	404	284
Average outstanding debt for the period	470,695	304,323
Average financing costs	2.15%	1.96%
Average financing costs excl. costs of permitted hedging instruments	1.61%	1.40%

EPRA NAW	31/12/2019	31/12/2018
Net asset value according to the financial statements	625,808	410,019
To be excluded:		
- Fair value of financial assets and liabilities	15,467	6,317
- Deferred taxes	46,813	16,675
EPRA NAW	688,088	433,011
EPRA NAW (EUR/share)	35.96	31.45

EPRA NNAW	31/12/2019	31/12/2018
EPRA NAW	688,088	433,011
To be added:		
- Fair value of financial assets and liabilities	-15,467	-6,317
- Deferred taxes	-46,813	-16,675
EPRA NNAW	625,808	410,019
EPRA NNAW (EUR/share)	32.71	29.78

EPRA Net Initial Yield	31/12/2019	31/12/2018
Investment property – full property fair value	1,204,634	830,899
Investment property – share in joint ventures	29,148	20,224
Minus property developments	-203,741	-179,435
Completed property portfolio	1,030,041	671,688

Transaction fees	31,101	20,718
Investment value of the property available for rent	1,061,142	692,407
Annualised gross rental income	55,424	35,099
Property charges	4,488	-3,552
Annualised net rental income	50,936	31,747
Notional amount at the end of the rent-free period	-	-
Adjusted annualised net rental income	50,936	31,747
EPRA Net Initial Yield	4.8%	4.6%
EPRA Adjusted Net Initial Yield	4.8%	4.6%

EPRA Rental Vacancy	31/12/2019	31/12/2018
Estimated rental value of the vacant units	1,648	637
Estimated rental value of the entire portfolio ⁴⁰	55,424	42,195
EPRA Rental Vacancy	2.97%⁴¹	1.50%

EPRA cost ratio	31/12/2019	31/12/2018
General expenses	3,500	3,149
Impairments of trade receivables	125	165
Property charges	6,994	4,301
EPRA costs (incl. vacancy costs)	10,619	7,615
Vacancy costs	423	240
EPRA costs (excl. vacancy costs)	10,196	7,375
Gross rental income	45,327	30,246
EPRA cost ratio (incl. vacancy costs)	23.4%	25.2%
EPRA cost ratio (excluding vacancy costs)	22.5%	24.4%

⁴⁰ Calculated in relation to annualised rent of the operating portfolio. Last year calculated in relation to total annualised rent of the portfolio, adjusted this year.

⁴¹ The ERV rental vacancy of 2.97% on 31 December 2019 is due to the ramp-up of the completed properties in the last quarter of 2019.

Financial result excl. variations in the fair value of financial assets and liabilities	31/12/2019	31/12/2018
Financial result	-16,771	-9,572
Variations in the fair value of financial assets and liabilities	9,150	5,393
Financial result excl. variations in the fair value of financial assets and liabilities	-7,621	-4,179

10.9

OTHER NOTES

Due to the rounding off to thousands, rounding differences may arise between the balance sheet, income statement and enclosed details.

10.9.1 PROPERTY RESULT

Numbers in thousands EUR.

	31/12/2019	31/12/2018
(+) Rental income	45,056	30,246
Rent	41,347	27,194
Rental guarantees	3,979	3,105
Rent reductions	-270	-53
(+) Writeback of rental carried over and discounted		
(+/-) Rent-related expenses	-125	-165
Net rental income	44,932	30,081
(+) Recovery of property charges		
(+) Recovery of rental charges and taxes normally payable by the tenants for let properties	8,193	4,952
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at the end of the tenancy		
(-) Rental charges and taxes normally payable by the tenants for let properties	-9,012	-5,544
(+/-) Other rent-related income and expenditure	1,396	1,230
Property result	45,508	30,718

Rent-related expenses contain impairments on rent receivables.

The rental guarantees on 31 December 2019 include the rental guarantees given by the sellers upon acquisition. Those rental guarantees have a term of 1 to 2 years and cover the vacant units.

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Summary of future rental income that could cease to exist		
Within one year	33,680	25,329
Between one and five years	2,615	2,031
More than five years	5,052	2,886
Total	41,347	30,246

The above table shows how much of the rental income that was earned between 01 January 2019 and 31 December 2019 could theoretically cease to exist in future if the current tenants give notice of termination on the next contractually permitted date and no new tenant is found.

Most of Xior Student Housing NV's tenancy agreements are short-term contracts for letting student units. These contracts are typically concluded for a one-year period, after which they can be extended. Xior also tries to conclude long-term contracts with colleges or universities for some of the rooms in its portfolio. Please find below a list of Xior's main rental and guarantee contracts with universities or colleges:

University	Location	End date contract
RENTAL CONTRACT		
Saxion Hogescholen	Enschede	31/07/2026
Saxion Hogescholen	Enschede	31/08/2027
Saxion Hogescholen	Enschede	28/02/2029
Saxion Hogescholen	Enschede	30/04/2021
Saxion Hogescholen	Enschede	31/08/2027
Universiteit Maastricht	Maastricht	
Universiteit Maastricht	Maastricht	2021/2031
Stichting Studenten Huisvesting (SSH)	Maastricht	2037
Veste Foundation	Maastricht	31/07/2029
Hogeschool Gent	Ghent	1/09/2041
Guarantee contract		
Vrije Universiteit (VU)	Amsterdam	31/08/2021
Hogeschool Zuyd	Maastricht	31/07/2020
Hogeschool Zuyd	Maastricht	31/07/2020
Rotterdam School of Management (RSM)	Rotterdam	31/12/2021
Hogeschool Utrecht	Utrecht	31/03/2023
Navitas	Enschede	31/05/2024

A number of the contracts have been in place for several years and are renewed each year.

Together, these rental or guarantee contracts cover 10.7% of Xior's annualised long-term rental income. There are also partnerships with universities and colleges. These are more 'soft commitments'. They represent 9.4% of the annual rental income.

Xior Student Housing NV also has several other types of tenancy agreements that are also long-term. These are mainly the tenancy agreements for the commercial properties, which typically have terms that exceed 1 year. The term of these contracts generally varies from 3 to 10 years. In the course of 2017, Xior acquired a number of office properties to be converted. A number of these properties will be temporarily rented out as offices pending their redevelopment into student accommodation. The term of these contracts varies from 1 to 5 years.

Rents are paid monthly and in advance. Certain property-related costs, such as consumption costs, taxes and levies and the communal costs are also charged to the tenant. Tenants pay a fixed monthly advance payment for this purpose with an annual settlement, or a fixed annual amount is charged to cover these costs. In order to guarantee tenants comply with their obligations, a rental guarantee of at least 1 month's rent, and in most cases 2 months' rent, is charged. This is paid mostly in cash and reflected on the balance sheet under other short-term liabilities.

10.9.2 PROPERTY CHARGES

Numbers in thousands EUR.

	31/12/2019	31/12/2018
(-) Technical costs	-1,538	-844
Recurring technical costs	-1,621	-825
Maintenance	-1,282	-654
Insurance premiums	-339	-171
Non-recurring technical costs	83	-19
(-) Commercial costs	-390	-335
Lawyers' fees and legal costs	-56	-13
Estate agent commissions		
Publicity	-334	-322
Other		
(-) Costs and taxes for non-let properties	-423	-240
(-) Property management costs	-2,946	-1,802
Management costs (external)	-768	-1,246
Management costs (internal)	-2,178	-556
(-) Other property charges	-1,697	-1,080
Valuation expert fees	-312	-192
Architects' fees	-4	-1

Immovable property tax and other taxes	-1,381	-887
Property charges	-6,994	-4,301

The increase in property charges as at 31 December 2019 compared to 31 December 2018 is the result of the property portfolio's further expansion. 15 properties were added to the property portfolio in 2018. This has an impact on the property charges. In 2019, 8 properties were again added to the property portfolio.

10.9.3 GENERAL EXPENSES

Numbers in thousands EUR.

	31/12/2019	31/12/2018
(-) General company expenses	-3,500	-3,149
Lawyers' fees, notarial charges and legal costs	-90	-131
Audit	-81	-103
Tax and financial advice	-284	-334
Directors and executive management	-610	-922
Staffing costs	-1,147	-797
Housing costs	-88	-132
Office costs	-252	-146
Publicity, communication and annual report	-125	-134
Taxes and statutory expenses	-515	-336
Insurance	-45	-42
Other general expenses	-263	-72
General company expenses	-3,500	-3,149

The general expenses of the Company cover the fixed operating expenses of the undertaking that operates as a legally listed entity and enjoys RREC status. These costs are incurred to provide transparent financial information. The increase in general costs is mainly due to a rise in management remuneration, personnel costs, consultancy costs and taxes & legal costs, which mainly include the equity-based subscription tax.

10.9.4 OTHER OPERATING INCOME AND COSTS

Numbers in thousands EUR.

	31/12/2019	31/12/2018
(+/-) Other operating result and costs	54	53
Management for third parties	54	53
Other operating income and costs	54	53

Pursuant to Article 6 of the Law on Regulated Real Estate Companies, Stubis, a wholly owned subsidiary of Xior Student Housing NV, provides limited real estate services to third parties. The returns from this are accounted for as 'other operational income and costs'. The result before taxes for these services to third parties in 2019 represents a non-significant percentage of the consolidated result before taxes.

The assets managed for third parties represent approximately 1.9% (and therefore less than 10%) of the consolidated assets of Xior Student Housing NV.

10.9.5 RESULT ON THE PORTFOLIO

Numbers in thousands EUR.

	31/12/2019	31/12/2018
(+/-) Result from the sale of investment property		
(+/-) Result from the sale of other non-financial assets		
(+/-) Variations in the Fair Value of investment property	17,981	5,372
Positive variations in the fair value of the investment property	25,820	8,826
Negative variations in the fair value of the investment property	-7,839	-3,454
(+/-) Other portfolio result	-22,005	351
Result on the portfolio	-4,023	5,723

New properties were obtained in 2019 through property acquisitions (sale-purchase), share acquisitions and takeover mergers.

The property was acquired at a fiduciary value (the acquisition value agreed between the parties) which was in line with (but not necessarily equal to) the Fair Value as assessed by the Surveyors.

- The difference between the Fair Value of properties acquired through property acquisitions (sale-purchase) and the

fiduciary value of such property is processed as 'variations in the Fair Value of investment properties' on the income statement.

- The difference between the Fair Value of properties acquired through share acquisitions and the fiduciary value of such properties as well as other sources of differences between the Fair Value and fiduciary value of the shares are processed as 'other portfolio result' on the income statement. This 'other portfolio result' concerns amounts resulting from application of the consolidation principles and merger transactions, and consists of the differences between the price paid for real estate companies and the Fair Value of the acquired net assets. This 'other portfolio result' also covers directly attributable transaction fees.
- The change in Fair Value between 1 January 2019 and 31 December 2019 was booked under 'negative or positive investment property changes'.

The positive change in the valuation of the investment properties can be explained by continued tighter yields of the Dutch portfolio. The negative change in the valuation of the investment property can primarily be explained by a decrease in the Estimated Rental Value established by the valuation expert for several properties and by an adjustment (increase) in the construction budget for a number of ongoing conversion projects and project developments.

10.9.6 FINANCIAL RESULT

Numbers in thousands EUR.

	31/12/2019	31/12/2018
(+) Financial income	261	183
(-) Net interest expense	-7,478	-4,079
Nominal interest paid on loans	-4,720	-2,276
Reconstitution of the nominal amount of financial debt	-218	-87
Costs of permitted hedging instruments	-2,540	-1,716
(-) Other financial costs	-404	-283
Bank costs and other commissions	-378	-253
Other	-26	-30
(+/-) Variations in the Fair Value of financial assets and liabilities	-9,150	-5,393
Market value of interest rate swaps	-9,150	-5,393
Financial result	-16,771	-9,572

The average interest rate⁴² was 2.02% (1.48% without hedging instruments) as at 31 December 2019, compared to 1.84% as at 31 December 2018. The average financing cost was 2.15% as at 31 December 2019, compared to 1.96% on 31 December 2018.

The Company is subject to fluctuations in interest rates, because most long-term liabilities were entered into on the basis of variable interest rates. An increase in the interest rate can therefore cause an increase in the interest charges. However, the company has concluded the necessary IRS-contracts over the years. 97% of the drawn down loans were hedged with IRS-contracts as at 31 December 2019. (See *Chapter 5.3.2 of this Annual Report*.)

The derivatives used by Xior Student Housing NV do not qualify as hedging transactions. As a result, the changes in Fair Value are included in the income statement immediately.

10.9.7 CORPORATE TAX

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Parent company		
25% Corporate tax	-22	0
29.58% corporate tax	0	-9
Subsidiaries		
Belgian tax, due and deductible	-35	-5
Foreign tax, due and deductible	-3,289	-2,950
Foreign deferred taxes	-1,748	-673
Belgian deferred taxes		
Total	-5,094	-3,637
Exit Tax	-124	0
Total	-5,218	-3,637

In Belgium, an RREC is only subject to corporation tax in regard to disallowed expenses and extraordinary and gratuitous advantages. Deferred taxes (exit taxes) for subsidiaries are recorded as the difference between the carrying amount after depreciation in the annual financial statements of these subsidiaries and the Fair Value. These are recorded at a rate of 15%, as it is the intention to merge these subsidiaries with the public RREC.

The Company also has a number of buildings that are located in the Netherlands. Some of these properties are part of a Dutch permanent establishment. Other Dutch properties are held by a wholly-owned subsidiary of Xior Student Housing. The tax on profits due by the Dutch permanent establishment and by the Dutch subsidiaries is estimated at 25% of the taxable result of the permanent establishment and subsidiaries.

The Company also has some properties in Spain. The profit tax is estimated at 25% of the taxable base of the Spanish subsidiaries.

Besides the tax on profits, a deferred tax liability is attributed to the latent capital gain of properties in the Netherlands held by the permanent establishment and the subsidiaries. This deferred tax liability will be adjusted if the Fair Value or carrying amount of the property changes as a result of fluctuations in value or tax depreciation, for example. The applied percentage is evaluated annually by taking into account the projected gross margin on the real estate income in the Netherlands for the coming years.

For Spain and Portugal, a deferred tax liability is also allocated to the deferred capital gain on the property. This latency is booked at 25% and 21% respectively.

Please also refer to *Chapter 10.9.22 of this Annual Report*.

10.9.8 INVESTMENT PROPERTY

Numbers in thousands EUR.

Investment table	Investment property in operation	Property developments	Total
Balance on 31/12/2017	461,905	26,857	488,762
Acquisition through purchase or contributions of real estate companies	181,936	41,923	223,859
Further CAPEX investments	21,336	10,111	31,447
Purchase and contribution of investment property	29,329	34,528	63,857
Sale of investment property	0	0	0
Capitalised interest charges	877	735	1,612
Change in the Fair Value	7,098	-1,727	5,371
Transfer from / to	33,446	-33,446	0
Balance on 31/12/2018	735,927	78,981	814,908
Acquisition through purchase or contributions of real estate companies	283,444	30,028	313,472
Further CAPEX investments	5,159	27,377	32,536
Purchase and contribution of investment property	11,719	0	11,719
Sale of investment property	0	0	0
Capitalised interest charges	689	1,559	2,248
Change in the Fair Value	24,863	-6,881	17,982
Transfer from / to	49,884	-49,884	0,00
Balance on 31/12/2019	1,111,685	79,106	1,190,791

Capitalised interest charges with regard to properties that are the object of property developments were capitalised at an interest rate of 2% during 2019.

Further investment in CAPEX is related to the investments made in connection of new purchases, own property development and investments in the existing portfolio. For a detailed description of all achievements of 2019, please refer to *Chapter 10.9.30 of the Annual Report*.

IFRS 13 NOTE

Valuation of investment property

Investment property is included at their Fair Value in accordance with IAS 40. The Fair Value is measured based on unobservable inputs, so the assets within the investment property belong to level 3 of the fair value hierarchy as determined by the IFRS. There were no shifts within the fair value hierarchy in 2019.

Investment property is recognised in the accounts on the basis of appraisal reports that are drawn up by independent and expert property appraisers.

The valuation of the property portfolio was drawn up by Stadim (Belgium and some of the Netherlands), Cushman & Wakefield (Netherlands and Portugal) and CBRE (Spain).

The independent valuation experts perform an external appraisal of the property portfolio each quarter. For a further explanation of the valuation methods, please refer to *Chapter 8.2.4.1 of this Annual Report*.

The fair value is determined on the basis of one of the following levels of the IFRS 13 hierarchy:

- Level 1: valuation based on listed market prices in active markets
- Level 2: valuation based on direct or indirect data that can be observed externally
- Level 3: valuation based fully or partially on data that cannot be observed externally

The property portfolio is assessed at the fair value. The fair value is measured based on unobservable inputs, so the assets within the investment property belong to level 3 of the fair value hierarchy as determined by the IFRS.

Unobservable inputs in the measurement of the fair value

Asset types	Fair Value on 31/12/2019	Assessment method	Country	Unobservable data	Min.	Max.	Weighted average
Student flats	292,323	DCF	Belgium	Rent per student room	200	990	474
				Discount rate	4.10%	4.90%	4.47%
				Vacancy	2.86%	3.76%	2.94%
				Inflation	1.25%	1.25%	1.25%
				Number of units	2,589		
	747,362	DCF	The Netherlands	Rent per student room	250	989	
				Discount rate	4.18%	7.27%	5.68%
				Vacancy	0%	6.05%	2.73%
				Inflation	1.25%	2.02%	1.61%
				Number of units	4,844		

Other	20,156	DCF	Belgium	Gross rental income/m ²	145	330	215
				Discount rate	3.50%	6.07%	4.35%
				Vacancy	2.96%	8%	4.09%
				Inflation	1.25%	1.25%	1.25%
				Square metres	5,958		
	6,295	DCF	The Netherlands	Gross rental income/m ²	78	200	109
				Discount rate	5.95%	8.50%	6.30%
				Vacancy	0%	6.13%	4.01%
				Inflation	1.25%	1.98%	1.49%
				Square metres	4,123		
Studentenflats	138,499	DCF	Spain	Rent per unit	925	1,407	1,250
				Discount rate	7.25%	8.30%	7.61%
				Occupancy in academic year	92%	97%	95%
				Occupancy in summer	25%	65%	39%
				Inflation	2%	2%	2%
				Number of units	933		
	79,289	DCF	Portugal	Rent per unit	434	775	546
				Discount rate	7.25%	8.25%	7.97%
				Occupancy in academic year	95%	95%	95%
				Occupancy in summer	40%	50%	46%
				Inflation	1.75%	1.75%	1.75%
				Number of units	1,107		
Totaal	1,283,924						

Asset types	Fair Value on 31/12/2018	Assessment method	Country	Unobservable data	Min.	Max.	Weighted average
Studentenflats	197,971	DCF	Belgium	Rent per student room	200	990	478
				Discount rate	4.32%	5.00%	4.54%
				Vacancy	2.01%	8.33%	3.76%
				Inflation	1.25%	1.25%	1.25%
				Number of units	1,879		
	518,571	DCF	The Netherlands	Rent per student room	250	989	561
				Discount rate	4.91%	7.52%	5.89%

				Vacancy	2.25%	4.28%	3.00%
				Inflation	1.25%	1.80%	1.39%
				Number of units	3,626		
Andere	26,844	DCF	Belgium	Gross rental income/m ²	115	323	285
				Discount rate	4.57%	5.45%	4.96%
				Vacancy	2.03%	6.02%	3.76%
				Inflation	1.25%	1.25%	1.25%
				Square metres	6,657		
	71,522	DCF	The Netherlands	Gross rental income/m ²	119	253	215
				Discount rate	6.25%	8.50%	7.50%
				Vacancy	3%	6%	4%
				Inflation	1.30%	1.30%	1.30%
				Square metres	874		
Totaal	814,908						

Belgium and the Netherlands

There is a significant gap between the minimum and maximum rents for student rooms. This is because the rent for the different rooms depends on the room type. We have four room types: basic, basic+, comfort and premium. Each type offers a different form of comfort, so the price depends on various factors (size of the room, en-suite or not, with or without own kitchenette, location in the building and so on). For more information on the average room price and influencing factors, please refer to *Chapter 8.2.2.4 of this Annual Report*.

For the determination of the DCF, the valuation expert takes into account a gross rental value on the one hand, and a number of costs associated with the property on the other hand. The costs taken into account are: fire insurance, property taxes, maintenance costs and management costs of the property. Some vacancies are also taken into account (see also table above). For actual vacancies as at 31 December 2019, we refer to the property table included in *Chapter 8 of the Annual Financial Report*.

The valuation expert also takes into account the end value of the property. On average, this end value amounts to 50% of the Fair Value. This is due to the fact that Xior's properties are in prime locations, so that the land value included in the Fair Value of the property involves a high end value.

In the valuation, the valuation expert also allows for the ageing of the buildings. To this end, an annual rate of depreciation is applied to the value of the building when calculating the Fair Value. This corresponds to approximately 2% per annum on the value of the building. The valuation expert assumes that thorough renovation will be required after a period of time in order to ensure that rental streams are maintained. Costs for this are provided in the DCF-model. After a thorough renovation, a building's useful life rises again. Most properties in the portfolio have a useful life of 27 years. The properties in the portfolio are fairly recent and a number of properties were thoroughly renovated each year in order to maintain the rental flows and the Xior quality standard.

Spain and Portugal

The minimum and maximum rental prices per student room are much higher than for Belgium and the Netherlands. This is because in Spain more services are included in the rental prices, such as linen, room cleaning and, in some cases, half

or full board. The units in Spain all have their own sanitary facilities, so there are only two types of rooms: comfort and premium. For more information on the average room price and influencing factors, please refer to *Chapter 8.2.2.4 of this Annual Report*.

For the determination of the DCF, the valuation expert takes into account a gross rental value on the one hand, and a number of costs associated with the property on the other hand in order to arrive at a net rental value. The EBITDA-margin is a crucial factor in determining the valuation. They also take into account a certain occupancy and make a distinction between occupancy during the academic year (September to June) and occupancy during the summer months (July and August) (see also the table above). For actual vacancies as at 31 December 2019, we refer to the property table included in *Chapter 8 of the Annual Financial Report*.

Projects under development are valued in the same way. The valuation expert determines the Fair Value upon completion and deducts the upcoming construction costs.

The sensitivity of the Fair Value to a change in the aforementioned non-observable data is generally presented as follows (if all parameters remain unchanged):

Unobservable data	Effect on the fair value	
	In case the value of the non-perceptible data declines	In case the value of the non-perceptible data rises
Rent per student room	Negative	Positive
Discount rate	Positive	Negative
Gross rental income/m ²	Negative	Positive
Vacancy	Positive	Negative

These unobservable data may also be interconnected as they are partly determined by the market conditions.

If the discount rate or rents were to rise or fall, the impact on the Fair Value would be as follows:

Impact on the Fair Value	In KEUR
Rent +10%	135,281
Rent +5%	69,678
Rent -5%	-67,613
Rent -10%	-146,104
Discount rate +0.5%	-100,070
Discount rate +0.3%	-62,255
Discount rate +0.1%	-21,267
Discount rate -0.1%	22,409
Discount rate -0.3%	70,159
Discount rate -0.5%	122,229

Valuation process for investment property

Investment property is recognised in the financial statements on the basis of appraisal reports that are drawn up by the independent valuation experts. These reports are based on information provided by the Company and on the assumptions and valuation models adopted by the valuation expert.

Information provided by the Company includes current tenancy agreements, periods and conditions, along with renovation carried out on investments for property developments.

The assumptions and valuation models applied by the valuation experts mainly relate to the market situation, such as returns and discount rates. They are based on their professional assessment and knowledge of the market.

For a detailed description of the valuation method applied by the valuation experts, please refer to *Chapter 8.2.4 of this Annual Report* ('Appraisal of the property portfolio by the Valuation Experts').

The information provided by the valuation experts, the assumptions and the valuation models are reviewed internally. This includes reviewing variations in the Fair Value during the period in question.

10.9.9 OTHER TANGIBLE FIXED ASSETS

Numbers in thousands EUR.

	31/12/2019 Other tangible fixed assets	31/12/2018 Other tangible fixed assets
Other tangible fixed assets		
Acquisition value		
Balance at the start of the financial year	908	445
Acquisitions	314	463
At the financial year-end	1,222	908
Depreciation		
Balance at the start of the financial year	-210	-98
Depreciation	-161	-112
At the financial year-end	-371	-210
Net carrying value	850	698

10.9.10 FINANCIAL FIXED ASSETS

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Financial fixed assets		
Other	25	21
Total	25	21

10.9.11 TRADE RECEIVABLES AND OTHER FIXED ASSETS

The long-term receivables (KEUR 135) relate to a reduction in rental property tax in the Netherlands⁴³, which can be deducted from future property tax expenses.

10.9.12 PARTICIPATING INTERESTS IN JOINT VENTURE – EQUITY METHOD

As of 31 December 2019, Xior has a 50% participation in the Promgranjo joint venture, a 40% participation in the U.hub Benfica joint venture and a 25% participation in the U.hub São João joint venture. This joint venture is included in Xior's consolidated financial statements with the equity method.

The table below provides an overview of the assets and liabilities of Promgranjo on 31 December 2019.

Promgranjo Summary of assets and liabilities (100%)	
Investment property	3,788
Other assets	303
Cash and cash equivalents	210
Equity	244
Deferred taxes	
Non-current debts	3,929
Other debt	127
Adjusted equity (100%)	122
Paid share price (50%)	43

⁴³ This rental property tax is in force in the Netherlands, where landlords owning more than 10 rental properties have to pay a tax on the property tax value of rented accommodation. This applies to rental properties for which the rent does not exceed EUR 720.428 per month (2019 price level). The rental property tax rate for 2019 is 0.561%. If the applicable conditions are met, this tax can be reduced in case of investments.

Xior will acquire the remaining 50% of the shares once the project is completed. The estimated purchase price of the remaining 50% was already included in the annual accounts as at 31 December 2019.

Xior has granted a shareholder loan to the Promgranjo joint venture. On 31 December 2019, the outstanding receivables were KEUR 3,929. The receivable is interest bearing at 2.5% per year.

The table below provides an overview of the assets and liabilities of U.hub Benfica on 31 December 2019.

U.hub Benfica Summary of assets and liabilities (100%) after completion	100% after completion	40% during initial purchase
Investment property	32,186	9,698
Other assets	161	161
Cash and cash equivalents	393	393
Equity	16,590	4,063
Deferred taxes	3,330	0
Non-current debts	11,748	5,117
Other debt	1,072	1,072
Adjusted equity	16,590	1,016
Paid share price	13,334	13,300

The table below provides an overview of the assets and liabilities of U.hub São João on 31 December 2019.

U.hub São João Summary of assets and liabilities (100%) after completion	100% after completion	25% during initial purchase
Investment property	29,113	5,789
Other assets	1,107	1,107
Cash and cash equivalents	11	11
Equity	14,092	5,101
Deferred taxes	2,390	0
Non-current debts	11,942	0
Other debt	1,807	1,807
Adjusted equity	14,092	5,101
Paid share price	15,269	6,975

The share in the result of associated companies and joint ventures as included in the consolidated income statement as at 31 December 2018 mainly relates to Alma Student NV. This company was a joint venture until 1 October 2019. All the company's shares are fully held by Xior since that date.

10.9.13 TRADE RECEIVABLES

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Trade receivables		
Trade receivables	1,340	1,411
Advance payments	78	0
Invoices to issue	32	98
Income to be collected	86	24
Credit notes to be received		
Doubtful debts		
Recorded impairments	-372	-333
Other	0	18
Total	1,163	1,217

Trade receivables still to be collected (KEUR 1,163) include rent still to be received.

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Impairments on doubtful debts – movement table		
At the financial year-end	333	9
From acquired companies	23	276
Additions	119	140
Reversals	-41	0
Written off as no longer collectible	-63	-92
At the financial year-end	371	333

Provisions for doubtful debts are generally made on an individual basis, when needed. There is a risk that a loss will be suffered on a receivable. This risk is limited because a rental guarantee of at least 1 month's rent, and in most cases 2 months' rent, is requested at the start of the tenancy agreement.

The provision for doubtful debts is set up as follows: the list of rent arrears is monitored internally. Based on an assessment by the management or when there are clear indications that the receivables can no longer be collected, a provision is

established. A provision of KEUR 371 was established on 31 December 2019. This amount includes a transferred provision of KEUR 276. This provision was set up for an acquired subsidiary. The risk of losing this receivable is therefore included in the purchase price and is borne by the Seller.

Receivables ageing summary

Numbers in thousands EUR.

Ageing of outstanding customers	31/12/2019	31/12/2018
not due	2	29
1-30 days	-222	170
31-60 days	185	127
61-90 days	177	196
more than 90 days	1,198	888
Total	1,341	1,410

The outstanding rents in the category that exceeds 90 days include KEUR 452 of receivables from an acquired company, for which a collection guarantee exists. This also contains KEUR 280 in billed rental guarantees, for which payment is expected shortly.

10.9.14 TAX RECEIVABLES AND OTHER CURRENT ASSETS

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Tax receivables and other current assets		
Tax to be reclaimed	-121	45
VAT to be reclaimed	835	693
Other	12,696	33,487
Total	13,410	34,225

As of 31 December 2019, the other current assets include a shareholder loan granted to the Promgranjo joint venture (KEUR 3,929) and an advance paid for an acquisition (KEUR 6,000). This also includes a current account position with Aloxe (KEUR 1,721).

This also includes receivables for rental guarantees provided by the Sellers of projects acquired in the course of 2018 and 2019. With the acquisitions of All-In Annadal, Promiris Student, Alma Student and Campus Besós, a rental guarantee was

given by the seller. These rental guarantees cover 12 or 24 months. In simple terms, the rental guarantee means that the seller pays the difference between the theoretical rent in case of 100% occupancy and the actual rent.

10.9.15 CASH AND CASH EQUIVALENTS

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Cash and cash equivalents		
Banks	4,255	1,662
Cash resources	13	15
Total	4,269	1,677

There are no restrictions on the use or application of cash and cash equivalents.

10.9.16 ACCRUALS AND DEFERRED PAYMENTS – ASSETS

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Accruals and deferred payments – Assets		
Accrued rental income	36	980
Prepaid property charges	1,247	9
Other	820	85
Total	2,103	1,074

Other relates mainly to overheads to be deferred.



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10.9.17 CAPITAL

Numbers in thousands EUR.

Evolution of capital

Date	Transaction
10/03/2014	Incorporation of company
23/09/2015	Capital increase
23/11/2015	Share split
11/12/2015	Sister mergers
11/12/2015	Capital increase by way of non-cash contribution as a result of the Share Contribution
11/12/2015	Mergers by acquisition
11/12/2015	Capital increase below accounting par value through cash contributions for the issue of new shares
11/12/2015	Capital reduction to create a reserve to cover foreseeable losses
1/03/2016	Merger with Devimmo NV
1/08/2016	Merger with CPG CVBA
11/10/2016	Woonfront Tramsingel BV contribution in kind
17/01/2017	KVS project contribution in kind
22/06/2017	Capital increase
26/03/2018	Enschede project contribution in kind
12/06/2018	Capital increase
12/12/2018	All-In Annadal BV contribution in kind
4/06/2019	Optional dividend
13/06/2019	Stratos KVK NV contribution in kind
27/10/2019	Capital increase

	Previous capital (EUR)	Capital increase (EUR)	New capital (EUR)	Previous number of shares	New number of shares	Accounting par value (EUR)
		20,000,00	20,000,00		200,00	100.00
	20,000,00	1,230,000,00	1,250,000,00	200,00	12,500,00	100.00
	1,250,000,00		1,250,000,00	12,500,00	42,500,00	29.41
	1,250,000,00	23,328,937,02	24,578,937,02	42,500,00	975,653,00	25.19
	24,578,937,02	3,256,783,01	27,835,720,03	975,653,00	1,105,923,00	25.17
	27,835,720,03	3,696,060,08	31,531,780,11	1,105,923,00	1,253,764,00	25.15
	31,531,780,11	58,710,898,28	90,242,678,39	1,253,764,00	4,626,780,00	19.50
	90,242,678,39	-6,960,638,39	83,282,040,00	4,626,780,00	4,626,780,00	18.00
	83,282,040,00	4,151,826,00	87,433,866,00	4,626,780,00	4,857,437,00	18.00
	87,433,866,00	1,320,948,00	88,754,814,00	4,857,437,00	4,930,823,00	18.00
	88,754,814,00	6,114,204,00	94,869,018,00	4,930,823,00	5,270,501,00	18.00
	94,869,018,00	2,669,976,00	97,538,994,00	5,270,501,00	5,418,833,00	18.00
	97,538,994,00	48,769,488,00	146,308,482,00	5,418,833,00	8,128,249,00	18.00
	146,308,482,00	9,317,304,00	155,625,786,00	8,128,249,00	8,645,877,00	18.00
	155,625,786,00	77,812,884,00	233,438,670,00	8,645,877,00	12,968,815,00	18.00
	233,438,670,00	14,400,000,00	247,838,670,00	12,968,815,00	13,768,815,00	18.00
	247,838,670,00	2,702,574,00	250,541,244,00	13,768,815,00	13,918,958,00	18.00
	250,541,244,00	7,756,002,00	258,297,246,00	13,918,958,00	14,349,847,00	18.00
	258,297,246,00	86,099,076,00	344,396,322,00	14,349,847,00	19,133,129,00	18.00

Evolution of issue premiums

Numbers in thousands EUR.

Date	Transaction	Issue Premiums
31/12/2015		25,615
1/03/2016	Merger with Devimmo NV	1,615
1/08/2016	Merger with CPG CVBA	514
11/10/2016	Woonfront contribution in kind	4,517
17/01/2017	KVS project contribution in kind	2,394
22/06/2017	Capital increase	35,222
26/03/2018	Enschede project contribution in kind	8,800
12/06/2018	Capital increase	53,332
12/12/2018	Contribution in kind All-In Annadal	15,230
4/06/2019	Optional dividend	3,378
13/06/2019	Stratos KVK NV contribution in kind	10,241
27/10/2019	Capital increase	115,582
Total issue premiums as of 31/12/2019		276,440
Unavailable issue premiums		271,819
Available issue premiums		4,621

The Extraordinary General Meeting of 15 December 2017 made available EUR 4,621,031 of the share premiums.

Authorised share capital

At the Extraordinary General Meeting of 6 November 2019, the Board of Directors was authorised to increase the share capital in one or more instalments. For this purpose, see Article 7 of the Articles of Association included under *Chapter 12.4 of this Annual Report*.

This authorisation was granted to the Board of Directors for a 5-year period from the publication in the Annexes to the Belgian Official Journal of the minutes of the extraordinary general meeting of 6 November 2019. This authorisation can be renewed. The Board of Directors will determine the price, any issue premium and the issue conditions of the new securities for each capital increase.

These capital increases may be implemented by cash contributions, non-cash contributions, mixed contributions or the conversion of reserves, including retained profits and issue premiums, as well as all equity components under the Company's IFRS statutory annual financial statement (drawn up under the Legislation on Regulated Real Estate Companies) that are subject to conversion into capital, whether or not with the creation of new securities, in accordance with the rules prescribed by the Belgian Companies and Associations Code, Legislation on Regulated Real Estate Companies and Articles of Association.

The Board of Directors may at such occasion issue new shares with the same or different rights (such as voting rights, dividend rights, including whether or not any preferential dividend is transferable, and/or rights relating to the liquidation balance and any preference with regard to the repayment of capital) as the existing shares and amend the Articles of Association in that regard to give effect to such different rights. If the capital increases decided by the Board of Directors include an issue premium, the Board of Directors must place the issue premium amount – possible reduced by an amount up to the costs of the capital increase as referred to by the applicable IFRS rules – in a non-distributable reserve account to serve as a guarantee to third parties in the same way as the capital. Subject to the issue premium's incorporation into the capital, it can only be reduced or abolished in a resolution at the general shareholders' meeting in accordance with the quorum and majority rules applicable to amendments of the Articles of Association.

Without prejudice to the application of Articles 7:188 to 7:193 and Article 7:201 of the Belgian Companies and Associations Code, the Board of Directors may restrict or cancel the pre-emptive right, even when this is done for the benefit of one or more specific persons other than employees of the Company or its subsidiaries. In principle, this is only possible to the extent that existing shareholders are granted an irreducible allocation right when new securities are granted (to the extent required by law). This irreducible allocation right must at least comply with the conditions as set out in Article 11.1 of the Articles of Association. Notwithstanding the application of Articles 7:190 to 7:194 of the Belgian Companies and Associations Code, such restrictions with regard to the restriction or cancellation of the pre-emptive right do not apply to a cash contribution with any restriction or cancellation of the pre-emptive right, in addition to a non-cash contribution as part of the distribution of an optional dividend, insofar as this is actually made payable in respect of all shareholders. In this context, the Company draws particular attention to the possibility of increasing the capital by means of a private placement without such an irreducible allocation right (limited to 10% new shares per 12 months) recently included in the Legislation on Regulated Real Estate Companies, and which the authorisation for authorised capital granted by the general meeting also permits (together with the authorisation for a contribution in kind limited to 10%).

If securities are issued in return for a non-cash contribution, the conditions as stated in Article 11.2 of the Articles of Association must be fulfilled (including the possibility of deducting an amount that corresponds to the portion of the unpaid gross dividend). However, the special rules on a capital increase by non-cash contribution, as set out under Article 11.2, do not apply to the contribution of the right to a dividend as part of the distribution of an optional dividend, insofar as this is actually made payable in respect of all shareholders.

Under the same conditions as set out above and subject to the applicable statutory provisions, the Company may, with the exception of profit-sharing certificates and similar securities, issue the securities referred to in Article 7:22 of the Belgian Companies and Associations Code and any other securities permitted by company law in accordance with the rules prescribed for that purpose and the Legislation on Regulated Real Estate Companies.

The right in relation to the authorised share capital may never be used for the following transactions:

- i. Capital increases that are mainly brought about by a non-cash contribution exclusively reserved for a shareholder of the Company who holds securities of the Company to which more than 10% of the voting rights are attached. Securities held by the following persons are added to those held by this shareholder (Article 7:201(1)(1) of the Belgian Companies and Associations Code):
 - a third party acting in their own name but on behalf of the aforementioned shareholder;
 - a natural person or legal entity affiliated with the aforementioned shareholder;
 - a third party acting in their own name but on behalf of a natural person or legal entity affiliated with the aforementioned shareholder;
 - persons acting in joint consultation, which refers to (a) the natural persons or legal entities who act in joint consultation within the meaning of Article 3, Section 1(5)(a) of the Belgian Law of 1 April 2007, (b) the natural persons or legal entities that have entered into an agreement for the coordinated exercise of their voting rights in order to pursue a sustainable, common policy in relation to the Company, and (c) the natural persons or legal entities that have entered into an agreement with regard to acquiring, holding or transferring voting securities;

- ii. the issue of no-par-value Shares below the accounting par value of the same type of old Shares (Article 7:201(1)(2) of the Belgian Companies and Associations Code);
- iii. the issue of warrants that are mainly intended for one or more specific persons, other than employees of the Company or of one or more of its subsidiaries (Article 7:201(1)(3) of the Belgian Companies and Associations Code).

The capital was increased 3 times by means of the issued capital in the course of 2019. The balance of the authorised capital as of 31 December 2019 amounts to (a maximum of) EUR 172,198,161.00 (for capital increases in cash with pre-emptive right or irreducible allocation rights or contributions in kind within the framework of the optional dividend) and EUR 34,439,632.20 (for other contributions in kind or cash) respectively. On 6 November 2019, the approval for issued capital was renewed. For this purpose, see Article 7 of the Articles of Association included under *Chapter 12.4 of this Annual Report*.

10.9.18 SHAREHOLDER STRUCTURE

Taking into account the received transparency notifications and the information in Xior Student Housing NV's possession, the main shareholders on 31 December 2019 are:

Shareholder	%
Aloxe NV - Dhr. C. Teunissen & Dhr. Frederik Snauwaert	18.64% ¹
AXA Investment Managers SA	6.93% ²

¹ Based on the transparency notification of 12 December 2018 and publicly available information (including the denominator as of 29 October 2019).

² Based on the transparency notification of 12 December 2018 and the denominator on 29 October 2019.

Please also refer to *Chapter 6.1.3 of this Annual Report*.

The transparency notifications can be consulted on the Company's website (www.xior.be under the heading Investor Relations – Shareholder Structure).

10.9.19 EARNINGS PER SHARE

	31/12/2019	31/12/2018
Number of ordinary shares in circulation	19,133,129	13,768,815
Weighted average number of shares	14,996,135	11,109,319
Net result per ordinary share (in EUR)	0.51	1.45
Diluted net result per ordinary share (in EUR)	0.51	1.45
EPRA earnings per share (in EUR)	0.51	1.46

10.9.20 OTHER NON-CURRENT FINANCIAL LIABILITIES

The other non-current financial liabilities on 31 December 2019 are KEUR 15,467. They relate to the market value of the outstanding interest rate swap (IRS) agreements on 31 December 2019.

31/12/2019

IFRS classification	Level (IFRS)	Notional amount	Interest rate (in %)	Expires on	Fair value liabilities
Interest Rate Swap	2	30,000,000	0.413	9/08/2029	-960,994,21
Interest Rate Swap	2	48,000,000	0.416	9/11/2027	-1,726,018,48
Interest Rate Swap	2	22,000,000	0.9765	30/06/2028	-1,821,572,22
Interest Rate Swap	2	25,000,000	0.15	6/06/2026	-438,756,89
Interest Rate Swap	2	25,000,000	1.01	31/12/2029	-2,199,125,06
Interest Rate Swap	2	25,000,000	1.1225	31/12/2030	-2,554,557,58
Interest Rate Swap	2	32,500,000	0.195	24/06/2025	-200,345,57
Interest Rate Swap	2	32,500,000	0.195	24/06/2025	-200,345,57
Interest Rate Swap	2	25,000,000	0.895	30/06/2027	-1,645,406,42
Interest Rate Swap	2	45,000,000	0.65	30/12/2027	-1,981,510,51
Interest Rate Swap	2	52,000,000	0.465	29/12/2023	-1,515,484,00
Interest Rate Swap	2	18,000,000	0.59	30/12/2024	-714,462,00
Interest Rate Swap	2	25,000,000	0.7	1/04/2025	-1,140,994,00
Interest Rate Swap	2	12,500,000	0.09	30/09/2026	-94,772,00
Interest Rate Swap	2	12,500,000	0.14	28/09/2029	45,275,00
Floor	2	20,000,000		30/09/2023	262,008,12
Floor	2	20,000,000		31/03/2023	227,906,12
Floor	2	10,000,000		31/05/2021	58,485,41
Floor	2	10,000,000		31/01/2023	115,616,66
Floor	2	15,000,000		30/04/2024	238,371,90
Floor	2	10,000,000		31/03/2024	148,838,17
Floor	2	15,000,000		5/05/2022	134,473,73
Floor	2	15,000,000		5/05/2021	83,729,29
Floor	2	10,000,000		11/12/2020	39,324,72
Floor	2	25,000,000		31/12/2021	186,537,80
Floor	2	25,000,000		31/12/2021	186,537,80
Total					-15,467,239,79

31/12/2018

IFRS classification	Level (IFRS)	Notional amount	Interest rate (in %)	Expires on	Fair value liabilities
Interest Rate Swap	2	78,000,000	0.56%	25/05/2024	1,651,572,99
Interest Rate Swap	2	22,000,000	0.9765%	30/06/2028	589,823,19
Interest Rate Swap	2	52,000,000	0.465%	29/12/2023	870,731,00
Interest Rate Swap	2	18,000,000	0.59%	30/12/2024	345,898,00
Interest Rate Swap	2	25,000,000	0.70%	1/04/2025	595,700,00
Interest Rate Swap	2	45,000,000	0.55%	31/12/2024	622,054,10
Interest Rate Swap	2	25,000,000	1.1475%	31/12/2027	1,137,885,86
Interest Rate Swap	2	25,000,000	1.045%	31/12/2026	1,041,339,07
Interest Rate Swap	2	25,000,000	0.895%	30/06/2027	513,227,96
Floor	2	20,000,000		30/09/2023	-225,903,49
Floor	2	38,000,000		31/12/2018	0,00
Floor	2	10,000,000		31/03/2024	-124,412,10
Floor	2	10,000,000		31/05/2021	-63,585,16
Floor	2	20,000,000		31/03/2023	-203,672,02
Floor	2	15,000,000		5/05/2021	-97,498,23
Floor	2	10,000,000		11/12/2020	-55,640,75
Floor	2	15,000,000		5/05/2022	-128,758,48
Floor	2	25,000,000		31/12/2019	-75,697,35
Floor	2	25,000,000		31/12/2019	-75,697,35
Total					6,317,367,24

The market value of the outstanding Interest Rate Swap contracts is received from the various financial institutions.

10.9.21 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities (KEUR 19,329) relate to the put option on the remaining 20% of the shares of Mosquera Directorship. This liability was recorded against equity (as a deduction from equity – IFRS liability), which has a negative impact on the NAV per share. When the option is exercised, this negative amount will be recorded in equity against minority interests.

10.9.22 DEFERRED TAXES

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Deferred taxes – liabilities		
Exit tax	0	34
Deferred taxes on capital gains on property abroad	46,813	16,675
Total	46,813	16,709

These are deferred taxes on Dutch and Spanish property. The increase in deferred taxes was primarily caused by the 2019 Spanish acquisitions.

Please also refer to *Chapter 10.9.7*.

10.9.23 FINANCIAL DEBTS

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Non-current financial debts		
Bilateral loans – variable or fixed interest rate	501,475	401,500
Loan drawdown costs	-1,050	-323
Total	500,425	401,177

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Non-current financial debts (excl. interest) Breakdown according to maturity		
Between one and two years	80,854	0
Between two and five years	380,517	306,260
More than five years	40,104	94,917
Total	501,475	401,177

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Unused loans		
Due within one year	0	18,500
Due after one year	208,000	0
Total	208,000	18,500

All financial debts have no underlying collateral. One exception is the loan from Stratos KvK. This was taken over on acquisition of 100% of the shares. This loan is partly secured by securities.

The majority of the financial debts have a variable interest rate. Some of the financing concluded in 2018 has a fixed interest rate. IRS-contracts were signed to hedge part of the loans and swap the variable interest rates with fixed interest rates. A total of KEUR 430,000 in financing is hedged with IRS-contracts. This means 97% of financing drawn down is hedged. There is KEUR 45,000 in loans at fixed interest rates, which results in a hedge (IRS + fixed interest rate) of 97% compared with the drawn down financing.

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Estimated future interest charges		
Within one year	6,622	5,221
Between one and five years	22,142	15,679
More than five years	5,740	2,533
Total	34,504	23,433

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Liquidity liability on maturity dates associated with the hedging instruments		
Within one year	2,304	2,194
Between one and five years	9,214	8,776
More than five years	8,596	4,261
Total	20,114	15,231

The estimate of future interest expenses takes into account the debt position on 31 December 2019.

Xior Student Housing had KEUR 711,000 of committed credit agreements as at 31 December 2019. For Xior Student Housing's debt ratio, please refer to *Chapter 10.9.34 of this Annual Report*. This concerns bullet loans taken out with various banks and with terms varying from 3 to 7 years. The average term is 4.08 years.

The following table gives an overview of the impact on the fair value and IRSs if the interest rate were to rise or fall by up to 0.20%:

Change in interest rate	Impact on change in fair value of IRSs on 31/12/2019
-0.20%	KEUR -6,103
+0.20%	KEUR +9,652

Change in interest rate	Impact on change in fair value of IRSs on 31/12/2018
-0.20%	KEUR -2,289
+0.20%	KEUR +2,291

The Company must comply with the necessary covenants in the context of its financing agreements. Xior met all the relevant covenants on 31 December 2019.

A 60% maximum debt ratio (see calculation provided in the Belgian Royal Decree on Regulated Real Estate Companies), an interest cover ratio of at least 2.5 and minimal hedging of 70%. For a more detailed description of the financing agreements signed by the Company, please also refer to *Chapter 5.3.1 of this Annual Report*.

Interest rate sensitivity

2019

If the Euribor were to rise by 20 basis points, this would have an impact on the interests payable by the Company of KEUR 311. This sensitivity estimate takes into account concluded hedging transactions.

Reconciliation of debt from financing activities

The table below shows the changes in Xior's financing activities.

	31/12/2018	Cash flows	Non-cash changes		Reclassification	31/12/2019
			Reconstitution of the nominal amount	changes in the fair value		
Long-term credit	401,177	100,810	-717		-845	500,425
Short-term credit	1,637	-776			845	1,706
Financial instruments	6,317			9,150		15,467
Total	409,131	100,034	-717	9,150	0	517,598

	31/12/2017	Cash flows	Non-cash changes		Reclassification	31/12/2018
			Reconstitution of the nominal amount	changes in the fair value		
Long-term credit	251,744	137,500	-61		-11,994	401,177
Short-term credit	11,994	1,637			11,994	1,637
Financial instruments	924			5,393		6,317
Total	264,662	139,137	-61	5,393	0	409,131

10.9.24 TRADE DEBTS

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Trade debts		
Trade debts	4,378	4,888
Invoices to be received	1,278	1,431

Taxes and social security contributions	4,257	2,223
Other	686	356
Liquidation bonus to be paid		
Exit tax	206	0
Total	10,807	8,898

The taxes and social security are mainly estimated taxes on permanent establishments and subsidiaries and payable VAT.

10.9.25 OTHER CURRENT LIABILITIES

Other current liabilities KEUR 50,906 (2018: KEUR 13,263) are mainly rental guarantees received from tenants. The increase of the other current liabilities is caused by the increased number of tenants.

The company has a put and call option on the remaining 50% of the shares of its joint venture partner Promgranjo, on 60% of the shares of U.hub Benfica and on 75% of the shares of U.hub São João. The expected option price (KEUR 42,869) for the remaining shares was therefore already included as a liability in the financial statements as at 31 December 2019.

10.9.26 ACCRUED LIABILITIES AND DEFERRED INCOME

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Accrued liabilities and deferred income		
Deferred income	1,176	1,035
Real estate expenses to be allocated	860	790
Accrued interests	2,083	907
Other	1,147	1,000
Total	5,266	3,732

The deferred income relates mainly to rent paid in advance and service charge advances still to be settled. Accrued expenses are mainly property tax assessments still to be received.

Other accruals are mainly costs still due in the context of the Company's RREC status, so an accrued expense was set up for this.

10.9.27 FINANCIAL ASSETS AND LIABILITIES

Numbers in thousands EUR.

	31/12/2019	31/12/2019	31/12/2018	31/12/2018	
Summary of financial assets and liabilities	Carrying amount	Fair value	Carrying amount	Fair value	Level
Assets					
Financial fixed assets	63,891	63,891	7,941	7,941	
Financial fixed assets	25	25	21	21	niveau 2
Trade receivables and other fixed assets	135	135	135	135	niveau 2
Deferred taxes – assets	96	96	460	460	niveau 2
Participating interests in associated companies and joint ventures	63,635	63,635	7,325	7,325	niveau 2
Financial current assets	18,842	18,842	37,120	37,120	
Trade receivables	1,163	1,163	1,218	1,218	niveau 2
Tax receivables and other current assets	13,410	13,410	34,225	34,225	niveau 2
Cash and cash equivalents	4,269	4,269	1,677	1,677	niveau 1
Total financial assets	82,733	82,733	45,061	45,061	
Liabilities					
Non-current financial liabilities	535,221	535,617	407,494	407,336	
Non-current financial liabilities	500,425	500,821	401,177	401,019	niveau 2
Financial derivatives	15,467	15,467	6,317	6,317	niveau 2
Other non-current liabilities	19,329	19,329	0	0	niveau 2
Current financial liabilities	63,419	63,419	23,799	23,799	
Current financial liabilities	1,706	1,706	1,637	1,637	niveau 2
Trade debts and other current liabilities	10,807	10,807	8,899	8,899	niveau 2
Other current liabilities	50,906	50,906	13,263	13,263	niveau 2
Total financial liabilities	598,640	599,036	431,293	431,135	

Trade debts and payables are recorded at amortised cost. The above are all assets for which the change in Fair Value is entered via the result.

Fair value

Since the trade debts and payables are current, the fair value almost approximates the nominal value of the financial assets and liabilities in question. As per 31 December 2019, Xior Student Housing has KEUR 45,000 in financial debts at fixed interest rates. The rest of the financial debts are at variable interest rates. A fair value was calculated for the loans that were repaid at a fixed interest rate. This fair value differs from the book value. For the loans taken out at variable interest rates, the fair value equals the book value. These loans are partially hedged with IRS-contracts.

For the definitions of the levels, please refer to *Chapter 10.9.8 of this Annual Report*.

10.9.28 TRANSACTIONS WITH RELATED PARTIES

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Transactions with related parties		
Management fee	934	1,088
Fee of independent directors	114	129
Total	1,048	1,217
Receivables from Aloxe	1,720	1,723

The related parties the Company associates with are its subsidiaries and its directors and executives. Transactions with the subsidiaries are eliminated in the consolidation.

The fee for directors and executives is recognised under the item 'General expenses of the Company' (see *Chapter 10.9.3*). Directors and executives do not receive any further benefits at the expense of the Company. We refer for this purpose to the remuneration report in *Chapter 6.1.17 of this Annual Report*.

On 31 December 2019, Xior Student Housing NV had KEUR 1,720 in receivables from Aloxe, the Company's main shareholder.

These receivables resulted mainly from the provided rental guarantees for certain projects during the IPO.

10.9.29 STATUTORY AUDITOR'S FEE

Pursuant to Article 7:99, Section 7 of the Belgian Companies and Associations Code, the 70% rule must be assessed in relation to Xior Student Housing NV and may not be exceeded.

Numbers in thousands EUR

	31/12/2019	31/12/2018
Mandate of the Statutory Auditor (Xior Student Housing NV)	46	45
Mandate of the Statutory Auditor (subsidiaries)	20	5
Audit engagements under the Belgian Companies and Associations Code	16	24
Other audit engagements (comfort letter and so on)	29	25
Tax consultancy assignments		
Other assignments outside the audit engagements		
Total	111	99

10.9.30 ACQUIRED REAL ESTATE COMPANIES AND INVESTMENT PROPERTY

The Company is achieving its growth strategy and its portfolio contained 104 properties on 31 December 2019. The acquisitions achieved in the course of 2019 are explained briefly below.

10.9.30.1 Property acquisitions

The Company acquired a number of properties through a sale-purchase against payment in cash (property acquisitions).

Acquisition of part 3 of the building located at Heer Bokelweg – Rotterdam

On 18 September 2019 Xior acquired part 3 of the building located in Heer Bokelweg, Rotterdam, having already acquired on 31 May 2017 the other parts with the intention of developing an integrated construction program for the whole of the existing building.

Acquisition of the Meteo building in Wageningen – 22 units

On 13 June 2019, Xior acquired a student residence in Wageningen, as already announced at the time of the acquisition of the nearby main building on the same site (see 2018 Annual Report), next to the main building on the same Duivendaal site. The building has 22 rooms. The investment value is EUR 3.2 million, with an initial yield of 6%.

10.9.30.2 Share acquisitions

The Company also acquired 100% of the shares in several real estate companies through a sale-purchase against payment in cash or shares.

Acquisition of an operational residence and a project in Barcelona – 206 units

On 5 October 2019, Xior concluded an agreement on the acquisition of an operational residence (The Lofttown) and a project (under conditions precedent) in the permit phase (Project Collblanc), both located in Barcelona, which were acquired together and which are owned and led by the same operational team.

The Lofttown: This operational residence, recognised as one of the best student residences in Spain, has 78 units with 140 beds. This property has been operational for several years and has been generating rental income since its acquisition. It is situated in a prime location, right next to the Paseo de Gràcia and Avenida Diagonal, two of Barcelona's main commercial and tourist boulevards, and just a short stroll from a number of faculty buildings and the old city centre.

The students have access to the public spaces, such as a restaurant (half-board and full-board), film room, study areas, design room with 3D printers, laundry, gym and terraces.

This residence was acquired through the purchase of 100% of the shares in the real estate company involved, and contributed to Xior's result immediately on acquisition. This transaction was completed on 30 October 2019.

Minerva Summary of acquired assets and liabilities	In KEUR
Investment property	17,961
Other assets	117
Cash and cash equivalents	772
Equity	12,971
Deferred taxes	2,289
Non-current debts	2,496
Other debt	1,094
Adjusted equity	12,971
Purchase price of shares	18,000

Exercise of call option on the remaining 50% of the shares in Alma Student NV

On 4 October 2019 Xior, as planned when first buying into the company in Augustus 2018, bought out the remaining 50% of the shares in Alma Student NV, owner of the redeveloped student complex located on the outskirts of Brussels (Zaventem) consisting of 240 units, 99 short-stay rooms developed using the 'ROXI' design, with a retail ground floor. The building was recently completed and is generating rental income.

Alma Student Summary of acquired assets and liabilities	In KEUR
Investment property	40,488
Other assets	366
Cash and cash equivalents	2,225
Equity	3,505
Exit tax	82
Non-current debts	29,980
Other debt	9,512
Adjusted equity	3,505
Purchase price of shares	7,380

Acquisition of an on-campus student residence in Madrid – 664 units – 80%

On 11 September 2019, Xior signed an agreement for the acquisition of a student residence on the campus of Universidad Europea de Madrid (UEM) in Villaviciosa de Odón, Madrid. This operational residence of 464 units (528 beds) is in a strategic location on the campus of one of the most prestigious private universities in Madrid and has additional development potential for just over 200 extra beds. The total expected investment amount is approximately EUR 85.4 million, of which Xior will be acquiring 80% from the real estate company that both owns and runs the residence, as well as owning the land, including an expected initial yield of approximately 7%. The university's current owner and manager, who is also the vendor, will retain the remaining 20%.

This acquisition was completed on 5 November 2019.

Mosquera Directorship Summary of acquired assets and liabilities (100%)	In KEUR
Investment property	96,646
Other assets	4,665
Equity	77,350
Deferred taxes	20,932
Other debt	3,029
Adjusted equity	77,350
Adjusted equity 80%	61,880
Purchase price of shares	75,092

Acquisition of the 'Studax' student residence in Leuven – 292 units

On 13 June 2019, Xior acquired the 'Studax' student residence near the train station, which consists of 292 student rooms for an investment value of EUR 29.75 million. This investment was achieved by acquiring 100% of the shares of the real

estate company concerned through a contribution in kind. The residence is part of 'Kop van Kessel-Lo', the new place to be in Leuven after the full redevelopment of the area and Belle-Vue Park in particular in 2019. KU Leuven university will continue to operate the building based on a long-term rental agreement, as it has done since the building's opening in 2016. This means that the management costs are limited, no property tax is due and there are limited maintenance costs, so the operating margin is higher than for normal properties under our own management. The investment values are in line with the estimates of the independent property expert. The initial yield is 5.40%.

As part of this transaction, Xior acquired 100% of the shares in Stratos KvK NV and exercised its right to pay the purchase price of the shares in Stratos KvK NV not in cash, but in newly issued shares. The contribution of the Stratos KvK shares was financed by issuing 430,889 new shares for a total value of EUR 18,097,363. The transaction resulted in an equity increase of EUR 18,097,363, of which EUR 7,756,002 was assigned as capital and the balance of EUR 10,241,361 was assigned as Issue Premiums after deduction of the costs of the capital increase according to the applicable IFRS rules. The issue price of the new shares (rounded down) was EUR 42.00 and was equal to the volume weighted average listing price (VWAP) of Xior Student Housing over the 5 trading days prior to 13 June 2019 (not including the launch date), minus the pro rata share of the gross dividend for financial year 2019 (EUR 0.581 per share) and minus a discount of 4.97%, or a discount of 5.45% compared to the closing price on 12 June 2019 minus the pro rata share of the gross dividend for financial year 2019.

Stratos KVK N.V. Summary of acquired assets and liabilities	In KEUR
Investment property	31,636
Other assets	269
Cash and cash equivalents	394
Equity	19,618
Exit tax	1,807
Non-current debts	9,900
Other debt	974
Adjusted equity	19,618
Purchase price of shares	18,145

Acquisition of Eendrachtsskade, Groningen – at least 225 units

On 10 April 2019, Xior acquired a redevelopment project in Groningen with at least 225 residential units, offices and 180 parking spaces. This transaction has an anticipated investment value of approximately EUR 46 million and is expected to have an initial yield of 6.2%. Completion and commissioning are planned for Q4 2021. The existing building is being acquired by procuring 100% of the shares in the SPV. Renovation work will begin after a permit has been obtained. Current rental income of EUR 2 million in total will continue to be generated until Q4 2020.

Xior Groningen Summary of acquired assets and liabilities	In KEUR
Investment property	29,874
Other assets	
Cash and cash equivalents	4
Equity	14,018
Deferred taxes	
Non-current debts	15,860
Other debt	
Adjusted equity	14,018
Purchase price of shares	14,860

Closing Karspeldreef, Amsterdam – 320 units

On 12 July 2018, Xior signed a purchase agreement resulting from the exercise of its purchase option with regard to a site located in Amsterdam. This site, which has a long-term lease, is located on Karspeldreef, near Amsterdam Bijlmer Arena Station. Xior plans to redevelop a total of 320 self-contained student units on this site. This office building conversion project consists of 6 connected buildings, each with its own facilities (such as a lift). The building will also have 170 parking spaces. The announced expected investment value will be around EUR 55 million (subject to the further adjustment of the number of units and the expected rental values during the project's development). The vendors will provide a yield guarantee for this project from 1 September 2018, and will also provide a one-year rental guarantee. This acquisition was successfully completed on 8 April 2019. The initial yield is 6%.

Xior - Karspeldreef BV Summary of acquired assets and liabilities	In KEUR
Investment property	68,800
Other assets	
Cash and cash equivalents	21
Equity	18,360
Deferred taxes	2,042
Non-current debts	31,445
Other debt	16,973
Adjusted equity	18,360
Purchase price of shares	17,798

Acquisition of the Diagonal Besòs student complex in Barcelona – 191 units

On 13 March 2019, Xior signed an agreement to acquire a student complex to be developed in Barcelona. This is a brand-new student residence located in the recently opened campus of the Universitat Politècnica de Catalunya (UPC) (with

3,500 students and 400 professors/researchers), near the beach and the trendy '22@ district'. The residence will have 191 self-contained rooms and will offer all modern facilities, such as an in-house restaurant, a gym, study rooms, a swimming pool and a roof terrace. The building is fully furnished and was constructed based on a 50-year concession (until 2067). The residency was completed and commissioned from September 2019. The seller has given a 50% rental guarantee for the building's occupancy during the summer months (July and August) for a 3-year term (from 2019). This allows Xior to find occupants for the remaining units during the summer holidays in collaboration with the university, local companies and summer work experience providers. During the academic year, the units are rented out under 10-month contracts. The concession was awarded and is actively managed by a consortium made up by the UPC and three local authorities (Catalonia, Barcelona and Besòs), with whom Xior expects to be working closely and productively in order to make the residence and the entire campus a success. The transaction took place on 21 May 2019 through the acquisition of all shares of the relevant project company of LIFE, a Belgian developer with which Xior has already successfully collaborated in the past in Belgium and the Netherlands. The total investment value is approximately EUR 25.5 million and the expected initial yield is approximately 7%.

I Love Barcelona Campus Besòs Summary of acquired assets and liabilities	In KEUR
Investment property	23,773
Other assets	146
Cash and cash equivalents	177
Equity	2,883
Deferred taxes	963
Non-current debts	8,485
Other debt	11,764
Adjusted equity	2,883
Purchase price of shares	5,589

For the accounting treatment of these acquisitions, please refer to the principle for consolidation.

10.9.31 AVERAGE HEADCOUNT AND BREAKDOWN OF STAFFING COSTS

	31/12/2019	31/12/2018	31/12/2017
Average headcount (in FTE)	35.82	21	18.3
Blue collars	6	6	6
White collars	51	22	14
Executive staff	1	1	0
Administrative staff	12	3	3
Commercial staff	34	13	11
Technical staff	4	5	6
Staffing costs (in thousands of EUR)	1,887	1,199	1,008
Remuneration and direct social benefits	1,431	907	749
Company social security contributions	365	251	240
Company contributions for non-compulsory insurance policies	25	11	0
Other staffing costs	66	31	18

10.9.32 EVENTS AFTER THE BALANCE SHEET DATE

Please refer to *Chapter 5.5 of this Annual Report* for events after the balance sheet date.

There have been no other significant events since the closing of the financial year that have affected the annual financial statements.

10.9.33 SCOPE OF CONSOLIDATION

The following subsidiaries are part of Xior Student Housing NV's scope of consolidation as at 31 December 2019:

Companies fully included in the consolidation

Name	Country	Share in the capital
Xior - Rotsoord B.V.	The Netherlands	100%
Xior Student Housing NL B.V.	The Netherlands	100%
Xior Student Housing NL 2 B.V.	The Netherlands	100%
Xior - Naritaweg B.V.	The Netherlands	100%
Stubis BVBA	Belgium	100%
Stubis NL B.V.	The Netherlands	100%
Leeuwarden Tesselschadestraat B.V.	The Netherlands	100%
Stratos KVK N.V.	Belgium	100%
All-In Annadal B.V.	The Netherlands	100%
Xior-Karspeldreef Amsterdam BV	The Netherlands	100%
Xior Groningen B.V.	The Netherlands	100%
Minerva Student Housing S.L.	Spain	100%
Xior Quality Student Housing S.L.	Spain	100%
I Love Barcelona Campus Bèsos S.A.	Spain	100%
Mosquera Directorship S.L.	Spain	80%
Xior Student Housing S.L.U.	Spain	100%
Amstelveen Laan van Kronenburg 2 B.V.	The Netherlands	100%
XSHPT Portugal	Portugal	100%

Joint Venture

Promgranjo S.L.	Portugal	50%
U.hub Benfica S.L.	Portugal	40%
U.hub Sao João S.L.	Portugal	25%

As at 31 December 2018:

Companies fully included in the consolidation

Name	Country	Share in the capital
Stubis BVBA	Belgium	100%
Woonfront - Rotsoord B.V.	The Netherlands	100%
Project Stu - Naritaweg B.V.	The Netherlands	100%
All-In Annadal	The Netherlands	100%
Stubis NL B.V.	The Netherlands	100%
Leeuwarden Tesselschadestraat B.V.	The Netherlands	100%
Promiris Student NV	Belgium	100%
Joint Venture		
Alma Student NV	Belgium	50%

10.9.34 DEBT RATIO

Numbers in thousands EUR.

Consolidated debt ratio (max. 65%)	31/12/2019	31/12/2018
Total liabilities	650,720	451,733
Adjustments	-67,752	-26,758
Permitted hedging instruments	-15,467	-6,317
Deferred taxes – liabilities	-47,019	-16,709
Accruals and deferred payments	-5,266	-3,731
Total debts according to the Royal Decree of 13 July 2014	582,968	424,975
Total assets	1,276,528	861,752
Adjustments	0	0
Total assets according to the Royal Decree of 13 July 2014	1,276,528	861,752
Debt ratio (in %)	45.67%	49.32%

10.9.35 OFF-BALANCE SHEET RIGHTS AND OBLIGATIONS

A number of properties were acquired from third parties in the course of 2016, 2017, 2018 and 2019. The sellers provided (partial) rental guarantees for a number of these properties. The term of these rental guarantees varies from 12 to 24 months starting from the transfer date. More specifically, the Company has received a rental or return guarantee for the properties on Tongerseweg in Maastricht (ended in September 2017), Kronehoefstraat in Eindhoven (ended in September 2018), Tramsingel 27 in Breda (ended in October 2017), Willem Dreeslaan in Utrecht, Spoorstraat in Venlo, Kwietheuvel in Venlo, Antonia Veerstraat in Delft (ended in September 2018), Waldorpstraat in The Hague (ended in September 2018), Campus Verbeekstraat in Leiden (ended in December 2018), Ariënsplein in Enschede (ended in September 2019), Naritaweg in Amsterdam (ended in April 2019), Rotsoord in Utrecht (ended in August 2019), Oudergemlaan in Etterbeek (ended in October 2018), Tesselschadestraat in Leeuwarden (ended in December 2018), Annadal in Maastricht, Duivendaal in Wageningen, Alma Student and Roxi in Zaventem and Campus Besòs in Barcelona.

10.9.36 LEGAL AND ARBITRATION PROCEEDINGS

On 28 October 2015, a company that was acquired by the Company as part of the IPO following a merger was sued by non-voluntary third-party intervention before the Commercial Court of Leuven in the context of a dispute regarding a real estate project implementation contract. The dispute does not relate to the property belonging to the Company's portfolio.

The plaintiff who sued by non-voluntary third-party intervention and indemnification has now waived the claim. During the procedure, the original defendant also filed an indemnification claim against the Company. By judgement of 6 April 2017, the Commercial Court of Leuven ruled that the contract included in the relevant contract was terminated by mutual agreement between the plaintiff and the original defendant and ordered the latter to pay a termination fee in favour of the plaintiff. The claim of the original defendant against the Company was rejected as unfounded by the court.

In a petition on 12 July 2017, the original defendant – now the appellant – lodged an appeal against the judgement of the Commercial Court of Leuven on 6 April 2017. The claims as set out in the first instance were taken on by the respective parties. All conclusions have now been exchanged between the parties and the case is fully ready to go to court. However, no date has yet been set for the case to appear before the Court of Appeal. In the meantime, the case has been assigned to the waiting list of the 20th Chamber of the Court of Appeal in Brussels. The presumed court date will be around December 2022.

Although the decision of the court of appeal cannot be predicted, the Company believes that the defence against the appellant's claim for damages has a realistic chance of success on appeal, based on the judgement of the Commercial Court of Leuven on 6 April 2017. All available legal remedies will be pursued if necessary.

The possible negative impact of this case will always be limited to the claimed amount (KEUR 371 plus interest). As it is understood that the Company is contractually protected against this anyway, a possible negative outcome (in an unexpected worst-case scenario) can actually be considered immaterial.

In addition, on 4 November 2019, the Company was summoned before the Commercial Court of Antwerp, Antwerp Division, with respect to a dispute concerning the acquisition or not by the Company of 100% of the shares in a target company owning a specific property in Antwerp. Conclusions are currently ongoing between the parties regarding these proceedings. The court date is set for 12 October 2020.

The main objective of the target company's shareholders is the execution in kind of the purchase agreement. On a subsidiary basis, the target company's shareholders provisionally claim damages of EUR 210,000 for an alleged breach of contract. In addition, the Company also claims the costs of the proceedings, estimated at the costs of summons (EUR 315.7), a litigation fee of EUR 18,000 and the cost of opening a case in the Commercial Court of EUR 165.

If the Company is forced to execute the purchase agreement in kind, this would, according to the target company's shareholders, mean that the Company would have to pay a purchase price of EUR 3,500,000 (partly by taking over a current account of one of the target company's shareholders), in exchange for the shares (and thus indirectly the ownership of the real estate in Antwerp). Without being able to predict the final outcome of this lawsuit, the Company is of the opinion that, with its arguments, it has sufficient chances of success to have the counterparty's claim rejected. The fact that the Company strongly contests the counterparty's claims is further reinforced by the Company filing a counterclaim against the counterpart for breach of the relevant contractual provisions. The compensation resulting from the counterclaim was provisionally estimated at EUR 2.

In addition to these two legal proceedings, the Company is also involved in another legal procedure, in which it is the plaintiff. The judgement of 12 November 2018 found that Xior was generally in the right regarding the fact that the defendant committed an error for which Xior should be compensated. An expert was appointed to estimate this damage. Although no counterclaim of any significance has been submitted as yet, the Company cannot exclude that this may happen as proceedings continue. Without getting ahead of itself, the Company thinks that it has good arguments to refute any counterclaim, which the Company does not expect to be of a material nature. In that case, the Company will also vigorously defend itself against this claim and exhaust all available legal options if necessary.

The Board of Directors declares that there are no further government interventions, lawsuits or arbitration cases that could have – or have recently had – a significant effect on Xior's financial position or profitability. It also declares that as far as it is aware, there are no circumstances or facts that could trigger such government interventions, lawsuits or arbitration cases.

10.9.37 STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF XIOR STUDENT HOUSING NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Xior Student Housing NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. May 17, 2018, following the proposal formulated by the Board of Directors and following the recommendation by the audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended December 31, 2020. We have performed the statutory audit of the consolidated accounts

of Xior Student Housing NV for 5 consecutive years

REPORT ON THE CONSOLIDATED ACCOUNTS

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts for the year ending 31 December 2019, which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR '000' 1.276.529 and a profit for the year of EUR '000' 7.659.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at December 31, 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing (ISAs) as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the Board of Directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis on a particular matter - Event after the date of closure of the financial year

With regard to the Covid-19 pandemic, we would like to draw your attention to point 5.5 of the annual report and note 10.9.32 of the consolidated financial statements ("Events occurring after the balance sheet date"). In this report, the board of directors explains its opinion that it is expected that the consequences of this pandemic will not have a material impact on the Company's business operations in 2020, and that they do not have a material impact on the Company's financial position as of 31 December 2019. We do not express any reservations in our opinion on this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the investment properties

Key audit matter:

The company recorded investment property on the assets side of the balance sheet at December 31, 2019 for a total sum of

EUR '000' 1.190.791. IFRS-standards require investment property to be stated at fair value. The measurement of that fair value strongly depends on a number of selected parameters, the most important ones being the rental value of the property, the occupation rate, the discount rate and the estimated costs of maintenance and repair.

As required by legislation applicable to regulated real estate companies, the investment properties are valued by an external appraiser.

The valuation of the investment property is a key audit matter in our audit of the financial statements due to their material significance relative to the financial statements on the one hand and the level of judgment inherent in the valuation process on the other.

For additional information on the valuation of the investment property, please refer to Notes 10.6.4 and 10.6.7 of these financial statements.

How our audit addressed the key audit matter

In assessing the reliability of the third-party valuation and the reasonableness of the parameters used, we performed the following procedures:

- We assessed the objectivity, independence and competence of the external appraisers.
- For a sample of buildings, we tested the reasonableness of the parameters used by comparing the external appraisers' parameters with those used by our internal appraisers. Where these parameters differed significantly from the ones used by the external appraiser, the impact of the difference on the fair value was determined on the basis of the individual property investment but also on the basis of the aggregate property portfolio. In addition, as regards the fair value changes compared to December 31, 2018, we analysed the reasonableness of the underlying parameters.
- We also compared the recoverable amount of the investment properties that were sold in the course of the financial year with their respective fair values as reported in the latest financial statements before the time of disposal.
- Finally we checked whether the disclosures in the notes to the financial statements are in compliance with IFRS.

Responsibilities of the Board of Directors for the preparation of the consolidated accounts

The Board of Directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Company's future viability nor as to the efficiency or effectiveness of the Board of Directors current or future business management.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the directors' report on the consolidated accounts and the other information included in the report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and the other information included in the annual report and to report on these matters.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this report is consistent with the consolidated accounts for the year under audit, and it is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts, containing:

- Risk management
- Message to the shareholders
- Key figures as at 31 December 2019
- Strategy and operating activities
- Corporate governance
- The Xior Share
- Property Report
- Corporate social responsibility
- Statements
- Permanent document

is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Other statements

- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Sint-Stevens-Woluwe, 20 april 2020

The statutory auditor

PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Damien Walgrave
Réviseur d'Entreprises / Bedrijfsrevisor

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF XIOR STUDENT HOUSING NV ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

We present to you our Statutory Auditor's report in the context of our statutory audit of the consolidated financial statements of Xior Student Housing NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated financial statements, as well as the other statements required by law and regulations. It forms part of an integrated whole and is indivisible.

We have been appointed as Statutory Auditor by the General Shareholders' Meeting of 17 May 2018, following the proposal formulated by the Board of Directors, made upon recommendation of the Audit Committee. Our mandate will expire on the date of the General Shareholders' Meeting which will deliberate on the annual accounts for the year ended 31 December 2020. We have performed the statutory audit of the consolidated financial statements of the Company for 4 consecutive years.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have performed the statutory audit of the Group's Consolidated financial statements, which comprise the consolidated balance sheet as at 31 December 2018, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information. These consolidated financial statements show a consolidated balance sheet total of EUR '000' 861.752 and the consolidated income statement shows a profit for the year of EUR '000' 16.105.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and implemented by the royal decree of 13 July 2014 "on Regulated Real Estate Companies" and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ('ISA') as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB for the years ending as from 31 December 2018, which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to audits of consolidated financial statements in Belgium, including the requirements related to independence.

We have obtained from the Board of Directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the investment properties

Key audit matter:

The company recorded investment property on the assets side of the balance sheet at 31 December 2018 for a total sum of EUR '000' 814.908. IFRS-standards require investment property to be stated at fair value. The measurement of that fair value strongly depends on a number of selected parameters, the most important ones being the rental value of the property, the occupation rate, the discount rate and the estimated costs of maintenance and repair.

As required by legislation applicable to regulated real estate companies, the investment properties are valued by an external appraiser.

The valuation of the investment property is a key audit matter

in our audit of the financial statements due to their material significance relative to the financial statements on the one hand and the level of judgment inherent in the valuation process on the other.

For additional information on the valuation of the investment property, please refer to **Notes 10.6.4 and 10.6.7** of these financial statements.

How our audit addressed the key audit matter:

In assessing the reliability of the third-party valuation and the reasonableness of the parameters used, we performed the following procedures:

- We assessed the objectivity, independence and competence of the external appraisers.
- For a sample of buildings, we tested the reasonableness of the parameters used by comparing the external appraisers' parameters with those used by our internal appraisers. Where these parameters differed significantly from the ones used by the external appraiser, the impact of the difference on the fair value was determined on the basis of the individual property investment but also on the basis of the aggregate property portfolio.
- In addition, as regards the fair value changes compared to 31 December 2017, we analysed the reasonableness of the underlying parameters.
- Finally we checked whether the disclosures in the notes to the financial statements are in compliance with IFRS.

Valuation of the financial derivatives

Key audit matter:

In view of hedging the interest rate risk on financial debts, Xior Student Housing NV entered into derivative financial instruments with a total nominal value of EUR '000' 503.000. IFRS require derivative financial instruments to be stated at fair value.

Since the fair value of the derivative financial instruments is measured using a financial model and financial parameters that are complex in nature (see **Note 10.9.20 and 10.9.22 of the financial statements**), we consider the valuation of the derivative financial instruments a key audit matter.

How our audit addressed the key audit matter?

We received bank confirmation letters for the purposes of validating the existence and completeness of the contracts as well as their valuation as at 31 December 2018. Then, calling on our experts, we independently measured the fair value of these contracts and made a comparison with their respective values as reported in the financial statements.

Finally we checked whether the disclosures in the notes to the financial statements are in compliance with IFRS.

Responsibilities of the Board of Directors for the preparation of the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements which give a true and fair view in accordance with the IFRS as adopted by the European Union and implemented by the royal decree of 13 July 2014 "on Regulated Real Estate Companies" and with the legal and regulatory requirements applicable in Belgium, and for such internal control as it determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated financial statements in Belgium.

As part of an audit performed in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention, in our Statutory Auditor's report, to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Statutory Auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Audit Committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

We also provide the Board of Directors and the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Board of Directors and the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our Statutory Auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Director's report on the consolidated financial statements, the separate report on non-financial information and the other information included in the annual report.

Statutory Auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard (Revised in 2018) which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the Directors' report on the consolidated financial statement, the separate report on non-financial information and the other information included in the annual report and to report on these matters.

Aspects related to the Directors' report on the consolidated financial statements and to the other information included in the annual report

In our opinion, after having performed specific procedures in relation to the Directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for the accounting year, and it is prepared in accordance with article 119 of the Companies' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the Directors' report on the consolidated financial statements and the other information included in

the annual report on the consolidated financial statements, containing:

- Risk management
- Message to the shareholders
- Key figures as at 31 December 2018
- Strategy and operating activities
- Corporate governance
- The Xior Share
- Property Report
- Corporate social responsibility
- Verklaringen Statements
- Permanent document

is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statements related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated financial statements, and our registered audit firm remained

independent of the Group in the course of our mandate;

- The fees for additional services which are compatible with the statutory audit of the consolidated financial statements referred to in article 134 of the Companies' Code are correctly disclosed and itemized in the notes to the consolidated financial statements.

Other statement

- This report is consistent with the additional report to the Audit Committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Sint-Stevens-Woluwe, 28 march 2019

The Statutory Auditor
PwC Bedrijfsrevisoren cvba
Represented by

Damien Walgrave
Bedrijfsrevisor

STATUTORY AUDITORS' REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF XIOR STUDENT HOUSING NV ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

We present to you our Statutory Auditors' report in the context of our audit of the Consolidated Financial Statements of Xior Student Housing NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the audit of the Consolidated Financial Statements, as well as the report on other legal and regulatory requirements. These reports are an integrated ensemble and are indivisible.

We have been appointed as Statutory Auditor by the General Shareholders' Meeting of 23 November 2015, following the proposal formulated by the Board of Directors following the recommendation by the Audit Committee. Our mandate will expire on the date of the General Shareholders' Meeting which will deliberate on the consolidated accounts for the year ended 31 December 2017. We have performed the statutory audit of the consolidated accounts of Xior Student Housing NV for 3 consecutive years.

REPORT ON THE AUDIT OF THE CONSOLIDATED

FINANCIAL STATEMENTS

Unqualified opinion

We have performed the statutory audit of the Consolidated Financial Statements of the Company and its subsidiaries (jointly "the Group"), which comprise the consolidated balance sheet as at 31 December 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information. These Consolidated Financial Statements show a consolidated balance sheet total of KEUR 503.987 and the consolidated income statement shows a profit for the year of KEUR 10.954.

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's net equity and consolidated financial position as at 31 December

2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS') and implemented by the royal decree of 13 July 2014 "on Regulated Real Estate Companies", and with the legal and regulatory requirements applicable to in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ('ISA'). Our responsibilities under those standards are further described in the "Statutory Auditor's responsibilities for the audit of the Consolidated Financial Statements" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to audits of consolidated financial statements in Belgium, including the requirements related to independence.

We have obtained from the Board of Directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

Valuation of the investment properties

Key audit matter

The company recorded investment property on the assets side of the balance sheet at 31 December 2017 for a total sum of EUR '000' 488.762. IFRS-standards require investment property to be stated at fair value. The measurement of that fair value strongly depends on a number of selected parameters, the most important ones being the rental value of the property, the occupation rate, the discount rate and the estimated costs of maintenance and repair.

As required by legislation applicable to regulated real estate companies, the investment properties are valued by an external appraiser.

The valuation of the investment property is a key audit matter in our audit of the financial statements due to their material significance relative to the financial statements on the one hand and the level of judgment inherent in the valuation process on the other.

For additional information on the valuation of the investment property, please refer to *Notes 10.6.4 and 10.6.7 of these financial statements*.

How our audit addressed the key audit matter?

In assessing the reliability of the third-party valuation and the reasonableness of the parameters used, we performed the following procedures:

- We assessed the objectivity, independence and competence of the external appraisers.
- For a sample of buildings, we tested the reasonableness of the parameters used by comparing the external appraisers' parameters with those used by our internal appraisers. Where these parameters differed significantly from the ones used by the external appraiser, the impact of the difference on the fair value was determined on the basis of the individual property investment but also on the basis of the aggregate property portfolio.
- In addition, as regards the fair value changes compared to 31 December 2016, we analysed the reasonableness of the underlying parameters.
- We also compared the recoverable amount of the investment properties that were sold in the course of the financial year with their respective fair values as reported in the latest financial statements before the time of disposal.
- Finally we checked whether the disclosures in the notes to the financial statements are in compliance with IFRS.

Valuation of the financial derivatives

Key audit matter

In view of hedging the interest rate risk on financial debts, Xior Student Housing NV entered into derivative financial instruments with a total nominal value of EUR '000' 193.000. IFRS require derivative financial instruments to be stated at fair value.

Since the fair value of the derivative financial instruments is measured using a financial model and financial parameters that are complex in nature (see *Note 10.6.15 of the financial statements*), we consider the valuation of the derivative financial instruments a key audit matter.

How our audit addressed the key audit matter?

We received bank confirmation letters for the purposes of validating the existence and completeness of the contracts as well as their valuation as at 31 December 2017. Then, calling on our experts, we independently measured the fair value of these contracts and made a comparison with their respective values as reported in the financial statements.

Finally we checked whether the disclosures in the notes to the financial statements are in compliance with IFRS.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of Consolidated Financial Statements which give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and implemented by the royal decree of 13 July 2014 "on Regulated Real Estate Companies" and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's, as well as the companies' forming the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or any of the companies forming the Group, or to cease operations, or has no realistic alternative but to do so.

Statutory Auditors' responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement if it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit performed in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement in the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures to address those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls;
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's, or any of the companies forming the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention, in our Statutory Auditors' report, to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Statutory Auditors' report. However, future events or conditions may cause the Company, or any of the companies forming the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group in order to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Audit Committee regarding, amongst other matters, materiality, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Director's report on the Consolidated Financial Statements and the other information included in the annual report.

Statutory Auditors' responsibilities

In the context of our mandate and in accordance with the draft of the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify the directors' report on the Consolidated Financial Statements and the other information included in the annual report and to report on these matters.

Aspects related to the Directors' report on the Consolidated Financial Statements and the other information included in the annual report

In our opinion, after having performed specific procedures in relation to the Directors' report on the Consolidated Financial Statements, this report is consistent with the Consolidated Financial Statements for the year 2017, and it is prepared in accordance with article 119 of the Companies' Code.

In accordance with Article 8 of the royal decree of 13 July 2014 "on Regulated Real Estate Companies", applying Article 37 of the Law of 12 May 2014 "on Regulated Real Estate Companies" the transactions of the Company and the parties as disclosed in the aforementioned Article 37 §1 have been adequately disclosed in the 'conflict of interest' section of the Consolidated Financial Statements.

In the context of our audit of the Consolidated Financial Statements, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the Directors' report on the Consolidated Financial Statements and the other information included in the annual report in the following captions.

- Risk management
- Message to the shareholders
- Key figures as at 31 December 2017
- Strategy and operating activities
- Corporate governance
- The Xior Share
- Property Report
- Corporate social responsibility
- Verklaringen Statements
- Permanent document

is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to independence

- We did not provide services which are incompatible with the statutory audit of the Consolidated Financial Statements and we remained independent of the Company in the course of our mandate;
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 134 of the Companies' Code are correctly disclosed and itemized in the notes to the Consolidated Financial Statements.

Sint-Stevens-Woluwe, 20 februari 2018

The Statutory Auditor
PwC Bedrijfsrevisoren bcvba
Represented by

Damien Walgrave
Bedrijfsrevisor



Campus Schoonmeersche
GHENT

10.10

CONDENSED VERSION OF XIOR STUDENT HOUSING NV'S STATUTORY ANNUAL FINANCIAL STATEMENTS

Xior Student Housing NV's statutory annual financial statements are based on the IFRS standards and in accordance with the Royal Decree on Regulated Real Estate Companies of 13 July 2014. The full version of Xior Student Housing NV's statutory annual financial statements will be deposited together with the Annual Report and the Statutory Auditor's report with the National Bank of Belgium within the statutory term and is available free of charge on the Company website (www.xior.be) and from the registered office on request.

The Statutory Auditor has issued an unqualified opinion without reservations for the statutory annual financial statement of Xior Student Housing NV.

10.10.1 STATUTORY INCOME STATEMENT

Numbers in thousands EUR.

			31/12/2019	31/12/2018
I	(+)	Rental income	30,914	27,795
	(+)	Rental income	29,282	25,098
	(+)	Rental guarantees	1,807	2,740
	(+/-)	Rent reductions	-175	-43
III	(+/-)	Rent-related expenses	-79	-165
		Impairments of trade receivables	-79	-165
NET RENTAL INCOME			30,834	27,629
V	(+)	Recovery of rental charges and taxes normally payable by the tenants for let properties	5,662	4,612
		Transmission of rental charges borne by the proprietor	5,544	4,482
		Charges for withholding tax and taxes on let properties	118	130
VII	(-)	Rental charges and taxes normally payable by the tenants for let properties	-6,134	-5,127
		Rental charges borne by the proprietor	-6,014	-5,006

		Advance levies and taxes on let properties	-120	-121
	(+/-)	Other rent-related income and expenditure	1,449	1,286
		PROPERTY RESULT	31,811	28,400
IX	(-)	Technical costs	-1,233	-821
		Recurring technical costs	-1,321	-802
	(-)	<i>Maintenance</i>	-1,100	-644
	(-)	<i>Insurance premiums</i>	-222	-158
		Non-recurring technical costs	89	-19
	(-)	<i>Damages</i>	89	-19
X	(-)	Commercial costs	-342	-333
	(-)	Publicity	-292	-320
	(-)	Lawyers' fees and legal costs	-50	-13
XI	(-)	Costs and taxes for non-let properties	-292	-240
XII	(-)	Property management costs	-1,998	-1,655
	(-)	Management costs (external)	-404	-1,110
	(-)	Management costs (internal)	-1,593	-546
XIII	(-)	Other property charges	-1,328	-1,053
	(-)	Architects' fees	-1,078	-1
	(-)	Valuation expert fees	-4	-191
	(-)	Other	-245	-860
		PROPERTY CHARGES	-5,192	-4,103
		PROPERTY OPERATING RESULT	26,619	24,297
XIV	(-)	General company expenses	-3,332	-3,138
XV	(+/-)	Other operating result and costs		
		OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	23,287	21,159
XVI	(+/-)	Result from the sale of investment properties		
	(+)	Net property sales (sales price – transaction fees)		
	(-)	Book value of the sold property		
XVIII	(+/-)	Variations in the Fair Value of investment property	15,431	1,406
	(+)	Positive variations in the fair value of the investment property	22,422	4,860

	(-)	Negative variations in the fair value of the investment property	-6,991	-3,454
XXIX	(+/-)	Other portfolio results	-3,703	427
OPERATING RESULT			35,015	22,137
XX	(+)	Financial income	6,507	2,134
	(+)	Interest and dividends collected	6,507	2,134
XXI	(-)	Net interest costs	-7,611	-4,079
	(-)	Nominal interest paid on loans	-4,854	-2,276
	(-)	Reconstitution of the nominal amount of financial debt	-218	-87
	(-)	Costs of permitted hedging instruments	-2,540	-1,716
		Permitted hedging instruments that are not subject to hedging accounting as defined by the IFRS	-2,540	-1,716
XXII	(-)	Other financial costs	-380	-283
	(-)	Bank costs and other commissions	-354	-252
	(-)	Other	-26	-31
XXIII	(+/-)	Variations in the fair value of financial assets and liabilities	-2,587	-1,106
		Permitted hedging instruments that are not subject to hedging accounting as defined by the IFRS	-9,150	-5,393
		Other	6,563	4,287
FINANCIAL RESULT			-4,071	-3,333
XXIV		Share in the result of associated companies and joint ventures	204	389
RESULT BEFORE TAXES			31,148	19,193
XXIV	(+/-)	Corporate tax	-2,005	-3,087
XXV	(+/-)	Exit tax	0	0
XXV	(+/-)	Deferred taxes	-1,322	0
Taxes			-3,327	-3,087
Net result			27,821	16,106

10.10.2 COMPREHENSIVE INCOME STATEMENT

Numbers in thousands EUR.

	31/12/2019	31/12/2018
NET RESULT	27,821	16,106
OTHER COMPONENTS OF THE COMPREHENSIVE INCOME		
(+/-) Impact on the fair value of the estimated transaction costs and costs resulting from hypothetical disposal of investment properties	0	0
(+/-) Variations in the effective part of the fair value of permitted cash flow hedging instruments	0	0
COMPREHENSIVE RESULT	27,821	16,106

10.10.3 STATUTORY BALANCE SHEET

Numbers in thousands EUR.

	ASSETS	31/12/2019	31/12/2018
I	Fixed assets	848,455	666,748
B	Intangible fixed assets	19	13
C	Investment property	693,370	578,065
	Property available to let	674,371	541,007
	Property developments	18,999	37,058
D	Other tangible fixed assets	791	692
	Tangible fixed assets for own use	791	692
	Other		
E	Financial fixed assets	154,136	80,517
	Assets at fair value via result	154,115	80,497
	Other	21	21
G	Trade receivables and other fixed assets	135	135
H	Deferred taxes – assets	2	2
I	Participating interests in associated companies and joint ventures with equity movements	3	7,325

II	CURRENT ASSETS	338,652	181,840
D	Trade receivables	132	438
E	Tax receivables and other current assets	334,761	179,599
	<i>Taxes</i>	-192	640
	<i>Wages and social security contributions</i>		
	Other	334,953	178,959
F	Cash and cash equivalents	2,121	668
G	Accruals and deferred payments	1,638	1,135
	Prepaid property charges		
	Accrued rental income not due	935	865
	Other	703	270
Total assets		1,187,107	848,588

Numbers in thousands EUR.

	LIABILITIES	31/12/2019	31/12/2018
	Equity	649,727	410,138
A	Capital	342,125	245,672
	Issued capital	344,396	247,839
	Capital increase costs	-2,271	-2,167
B	Issue premiums	276,441	147,239
C	Reserves	3,340	1,121
	Statutory reserves		
	Reserve for the balance of variations in the fair value of property	29,530	19,333
	Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	-22,072	-19,065
	Reserve for the balance of the changes in the fair value of permitted hedging transactions that are not subject to hedging accounting as defined in the IFRS	-8,184	-924
	Non-distributable reserve: reserve for foreseeable losses		
	Other reserves	4,066	1,777
	Retained earnings from previous financial years		
D	Net result for the financial year	27,821	16,106

LIABILITIES		537,380	438,450
I	NON-CURRENT LIABILITIES	514,999	414,755
B	Non-current financial debts	490,950	401,177
	a. Credit institutions	490,950	401,177
C	Other non-current financial liabilities	15,467	6,317
	Permitted hedging instruments	15,467	6,317
F	Deferred taxes – liabilities	8,583	7,261
	a. Exit tax		
	b. Other	8,583	7,261
II	CURRENT LIABILITIES	22,380	23,696
B	Current financial liabilities	860	1,637
	a. Credit institutions	860	1,637
D	Trade debts and other current liabilities	6,392	6,335
	a. Exit tax	206	0
	b. Other	6,185	6,335
	Suppliers	3,759	3,947
	Tenants	417	170
	Taxes, wages and social security contributions	2,010	2,218
E	Other current liabilities	10,263	12,132
	Other	10,263	12,132
F	Accruals and deferred payments	4,865	3,592
	Deferred income	1,070	902
	Other	3,796	2,690
TOTAL EQUITY AND LIABILITIES		1,187,107	848,588

10.10.4 STATEMENT OF CHANGES IN EQUITY

Numbers in thousands EUR.

	Capital	Issue premiums	Reserves	Net result of the financial year	Equity
Balance sheet as of 31 December 2017	144,187	69,877	-1,613	10,958	223,409
Net appropriation of income 2017					
Transfer of result on the portfolio to reserves			243	-243	0
Transfer of operating result to reserves			1,550	-1,550	0
Result for the period					
Other elements recognised in the comprehensive result				16,106	16,106
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property					
Variations in the fair value of financial assets and liabilities			942	-942	
Issue of new shares	134,011				134,011
Capital increase through non-cash contribution	48,117				48,117
Costs of issuing new shares and of capital increase	-46	-3,236			-3,282
Partial allocation of capital to issue premiums	-80,598	80,598			0
Dividends				-8,223	-8,223
Balance sheet as of 31 December 2018	245,672	147,240	1,122	16,106	410,138
Net appropriation of income 2018					0
Transfer of result on the portfolio to reserves			7,190	-7,190	0
Transfer of operating result to reserves			2,289	-2,289	0
Result for the period				27,821	27,821
Other elements recognised in the comprehensive result					

Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property					
Variations in the fair value of financial assets and liabilities			-7,259	7,259	0
Issue of new shares	211,761				211,761
Capital increase through non-cash contribution	17,997				17,997
Costs of issuing new shares and of capital increase	-104	-4,000			-4,104
Partial allocation of capital to issue premiums	-133,201	133,201			0
Dividends				-13,887	-13,887
Balance sheet as of 31 December 2019	342,125	276,441	3,340	27,821	649,727

10.10.5 DETAIL OF THE RESERVES

Numbers in thousands EUR.

	Reserve for the balance of variations in the fair value of property	Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	
Balance sheet as of 31 December 2017	6,668	-6,642	
Net appropriation of income			
Transfer of result on the portfolio to reserves	12,665	-12,422	
Transfer of operating result to reserves			
Other elements recognised in the comprehensive result			
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property			
Variations in the fair value of financial assets and liabilities			
Issue of new shares			
Capital increase through non-cash contribution			
Costs of issuing new shares and of capital increase			
Capital reduction to create an available reserve to cover future losses			
Deferred taxes for Dutch real estate			
Dividends			
Other			
Balance sheet as of 31 December 2018	19,333	-19,064	

	Reserve for the balance of the changes in the Fair Value of permitted hedging instruments that are subject to hedging accounting as defined in the IFRS	Available reserve: reserve for foreseeable losses	Other reserves	Retained earnings from previous financial years	Total of the reserves
	-1,866	0	0	227	-1,613
				10,954	10,954
				-243	0
	942			-942	0
				-8,223	-8,223
	-924	0	0	1,777	1,121

Numbers in thousands EUR.

	Reserve for the balance of variations in the fair value of property	Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	
Balance sheet as of 31 December 2018	19,333	-19,064	
Net appropriation of income			
Transfer of result on the portfolio to reserves	10,197	-3,007	
Transfer of operating result to reserves			
Other elements recognised in the comprehensive result			
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property			
Variations in the fair value of financial assets and liabilities			
Issue of new shares			
Capital increase through non-cash contribution			
Costs of issuing new shares and of capital increase			
Capital reduction to create an available reserve to cover future losses			
Deferred taxes for Dutch real estate			
Dividends			
Other			
Balance sheet as of 31 December 2019	29,530	-22,071	

	Reserve for the balance of the changes in the Fair Value of permitted hedging instruments that are subject to hedging accounting as defined in the IFRS	Available reserve: reserve for foreseeable losses	Other reserves	Retained earnings from previous financial years	Total of the reserves
	-924	0	0	1,777	1,121
				16,105	16,105
				-7,190	0
	-7,259			7,259	0
				-13,887	-13,887
	-8,183	0	0	4,066	3,340

10.10.6 APPROPRIATION OF INCOME UNDER THE ARTICLES OF ASSOCIATION

Numbers in thousands EUR.

		31/12/2019	31/12/2018
A	Net result	27,821	16,106
B (-/+)	Addition to/withdrawal from reserves (-/+)		
1 (-/+)	Addition to/withdrawal from the reserve for the (positive or negative) balance of variations in the property's fair value (-/+)		
	Financial year	14,331	10,197
2 (-/+)	Addition to/withdrawal from the reserve of the estimated transaction fees and costs resulting from the hypothetical disposal of investment properties (-/+)		
	Financial year	-3,221	-3,007
5 (+)	Addition to the reserve for the balance of the variations in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in the IFRS (+)		
	Financial year	-7,283	-7,259
10 (-/+)	Addition to/withdrawal from other reserves (-/+)	4,499	2,289
11 (-/+)	Addition to/withdrawal from retained earnings from previous financial years (-/+)		
C	Return on capital pursuant to Article 13, section 1, first paragraph	14,906	13,697
D	Return on capital other than C	4,589	190

10.10.7 PAYMENT OBLIGATION IN ACCORDANCE WITH THE ROYAL DECREE OF 13 JULY 2014 CONCERNING RREC ARTICLE 13 §1 FIRST SECTION

Numbers in thousands EUR.

	31/12/2019	31/12/2018
Net result	27,821	16,106
(+) Depreciation	169	87
(+) Impairments	113	165
(-) Reversal of impairments	-34	0
(-/+) Other non-monetary items	2,601	1,077
(-/+) Result from the sale of property		
(-/+) Variations in the fair value of property	-12,037	-314
Adjusted result (A)	18,633	17,121
(-/+) Gains and losses realised on property during the financial year (+/-)		
(-) Gains realised on property during the financial year exempt from the distribution obligation subject to their reinvestment within a period of four years (-)		
(+) Gains realised on property previously exempt from the distribution obligation and not reinvested within a period of four years (+)		
Net gains on the realisation of property not exempt from the distribution obligation (B)	0	0
Total (A) + (B) x 80%	14,906	13,697
Debt reduction (-)	0	0
Payment obligation	14,906	13,697

10.10.8 NON-DISTRIBUTABLE EQUITY IN ACCORDANCE WITH ARTICLE 7:212 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE

The amount as referred to in Article 7:212 of the Belgian Companies and Associations Code of the paid-up capital or, if the amount is higher, called-up capital, plus the reserves that must not be distributed by law or under the Articles of Association, is determined in Chapter IV of Annex C of the Royal Decree on Regulated Real Estate Companies.

This calculation is based on Xior Student Housing NV's statutory annual financial statement.

Numbers in thousands EUR

	31/12/2019	31/12/2018
Non-distributable equity in accordance with Article 7:212 of the Belgian Companies and Associations Code	619,466,984	389,880,786
Paid-up capital	344,396,322	247,838,670
Issue premiums are unavailable according to the articles of association	271,819,532	142,617,904
Reserve for the positive balance of the variations in the investment value of property	43,861,047	29,529,904
Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	-25,292,564	-22,071,792
Reserve for the balance of the variations in the fair value of permitted hedging instruments that are subject to hedging accounting	-15,467,201	-8,183,737
Reserve for the balance of the variations in the fair value of permitted hedging instruments that are not subject to hedging accounting	0	0
Other reserves	149,848	149,848
Statutory equity	649,726,651	410,137,589
Planned dividend payments	19,494,976	13,886,649
Weighted average number of shares	14,966,135	11,109,319
Operational distributable earnings per share (EUR)	1,30	1,25
Statutory equity after dividend payments	630,231,676	396,250,940
Remaining reserve after distribution	10,764,692	6,370,164

The result of the subsidiaries wholly owned by Xior Student Housing has been realised by the Company for the period from the Company's acquisition to the closing date and has been accounted for in the Company's equity as follows:

- The operational distributable income (KEUR 6,080) of the subsidiaries was attributed to the various items for the Company's result.
- The change in the Fair Value of the subsidiaries' investment property (KEUR 2,550) was attributed to the other portfolio result.

As such the subsidiaries' operating result for 2019 can be used for distribution as dividend from the acquisition date.



Kipdorpvest
ANTWERP





11

Statements

11.1

FORWARD-LOOKING STATEMENTS

This Annual Report contains future-oriented information, prospective information, projections, convictions, opinions and estimates produced by Xior in relation to the expected future performance of Xior and the market in which it operates ('prospective statements'). By nature, future-oriented statements involve inherent risks, uncertainties and assumptions, both general and specific, that appear justified at the time at which they are made but which may or may not turn out to be accurate, and there is a risk that such statements will not materialise. Some events are difficult to predict and may depend on factors outside of Xior's control. In addition, the future-oriented statements are only valid on the date of this Annual Report. Statements in this Annual Report relating to past trends or activities may not be interpreted as an indication that such trends or activities will persist in future. Actual profits, the financial situation and Xior's performance or result may therefore differ substantially from the information projected or implied in future-oriented statements. Xior expressly rejects any obligation or guarantee to publicly update or review prospective statements unless it is required to do so by law.

11.2

PARTY RESPONSIBLE FOR THE CONTENT OF THE REGISTRATION DOCUMENT

The Board of Directors of Xior Student Housing NV, with its registered office at Mechelsesteenweg 34, Box 108, 2018 Antwerp, is responsible for the content of this registration document.

Xior Student Housing NV declares it has taken all reasonable measures to ensure the data in this Annual Report is in accordance with the facts and that no data has been omitted that would affect the implications of this Registration Document. As far as it is aware, this is currently the case.

The Board of Directors, whose composition is set out in *Chapter 6.1.5 of this Annual Report*, declares to the best of its knowledge that:

- the annual financial statements, which are drawn up in accordance with the applicable standards for annual financial statements, provide a true and fair view of the equity, financial position and result of the Company and of the undertakings included in the consolidation;
- the annual financial report provides a true and fair overview of the business developments and result, and of the position of the Company and the undertakings included in the consolidation, as well as a description of the main risks and uncertainties that confront them.

11.3

INFORMATION PROVIDED BY THIRD PARTIES

This Registration Document contains information provided by third parties (see *Chapter 8.1 of this Annual Report* for a report by Cushman & Wakefield; *Chapter 8.2.4* for the Conclusions of the Valuation Experts Stadim, Cushman & Wakefield and CBRE; and *Chapters 7.6.4 and 10.9.37* for the reports by the Statutory Auditor).

Xior Student Housing NV declares that the information provided by third parties is accurately reproduced. As far as the Company is aware and was able to ascertain from the information published by the third party involved, no facts have been omitted that would make the shown information inaccurate or misleading.

The third-party information (reports and conclusions) included was included following the approval of its content, form and context.

Statutory Auditor

For the information regarding the Statutory Auditor, please refer to *Chapter 10.9.37 of this Registration Document*. For an overview of the Statutory Auditor's reports that have been included in this Registration with the Statutory Auditor's consent, please refer to *Chapters 7.6.4 and 10.9.37 of this Registration Document*. The Statutory Auditor has confirmed to the Company that the Statutory Auditor has no material interests in the Company, except those arising from the mandate as Statutory Auditor of the Company.

Valuation experts

The Company's property portfolio has been valued by four independent valuation experts since 2019:

- Stadim CVBA, with its registered office at Mechelsesteenweg 180/8 verd, 2018 Antwerp, Belgium, with company number 0458.797.033 (Antwerp Register of Legal Entities, Antwerp section) and represented (within the meaning of Article 24 of the Law on Regulated Real Estate Companies) by Céline Janssens,
- Cushman & Wakefield v.o.f. (as legal successor of DTZ Zaldehoff v.o.f.), with its registered office at Gustav Mahlerlaan 362, 1082 ME Amsterdam, The Netherlands, with KVK number 33154480 and represented (within the meaning of Article 24 of the Law on Regulated Real Estate Companies) by Jurre Brantsma,
- Cushman & Wakefield Lda, with its registered office at Avenida de Liberdade 131-5°, 1250-140 Lisbon, Portugal, with N° Matricula 14287 and represented (within the meaning of Article 24 of the Law on Regulated Real Estate Companies) by Ricardo Reis,
- and CBRE Valuation Advisory SA, with its registered office at Edificio Castellana 200, P° de la Castellana, 2020 p. 8, 28046 Madrid, Spain, with Número de Identificación Fiscal: A85490217 and represented (within the meaning of Article 24 of the Law on Regulated Real Estate Companies) by Javier Caro,

For the impact of the joint conclusion of the above-mentioned valuation experts with respect to the Company's property portfolio on 31 December 2019, please refer to *Chapter 8.2.4. of the yearly Financial Report 2019*. The valuation experts update the valuations each quarter.

The aforementioned independent valuation experts have each confirmed to the Company that they have no material interests in the company except those arising from their respective contractual relationship with the Company as an independent valuation expert of the Company within the meaning of Article 24 of the Law on Regulated Real Estate Companies.

Each of the above valuation experts has agreed to the inclusion of the above joint conclusion in this Registration Document.

Studies

Chapter 8.1 of the Annual Financial Report 2019 contains an acquisition of a study carried out by Cushman & Wakefield in which the general state of affairs in the underlying Belgian, Dutch, Spanish and Portuguese student housing real estate markets is described.

Cushman & Wakefield has agreed that this information is included by reference in this Registration Document.

Cushman & Wakefield has confirmed to the Company that it has no material interests in the company except those arising from Cushman & Wakefield's contractual relationship with the Company as an independent valuation expert of the Company within the meaning of Article 24 of the Law on Regulated Real Estate Companies.



Campus Schoonmeersche
GHENT



Woudestein
ROTTERDAM



12

Permanent document:
General information
about the company and
the coordinated articles
of association

12.1

COMPANY DETAILS

12.1.1 NAME, LEGAL FORM, STATUS, DURATION AND REGISTRATION DATA

The Company is a public limited company (naamloze vennootschap) incorporated under Belgian law that has the status of a public regulated real estate company under Belgian law (a 'public RREC' or 'RREC'). Its name is 'Xior Student Housing' or 'Xior'. As a public RREC, the Company falls under the scope of application of the Law on Regulated Real Estate Companies and the Royal Decree on Regulated Real Estate Companies. The Company also falls under the scope of application of the Belgian Companies and Associations Code.

Since 24 November 2015, the Company has been licensed as a public RREC under Belgian law, registered at the FSMA. The Company is a listed company within the meaning of Article 1:11 of the Belgian Companies and Associations Code (and therefore a "public-interest entity" within the meaning of Article 1:12 of the Belgian Companies and Associations Code). Xior Student Housing's shares have been listed on Euronext Brussels (XIOR) since 11 December 2015.

The Company is entered in the Crossroads Bank for Enterprises (Antwerp Register of Legal Entities, Antwerp section) under company number BE 0547.972.794.

The Company has been incorporated for an indefinite period.

12.1.2 REGISTERED OFFICE AND FURTHER CONTACT DETAILS

The Company's registered office is located at Mechelsesteenweg 34 (Box 108), 2018 Antwerp, Belgium. The Board of Directors may adopt a resolution to move the registered office elsewhere in Belgium.

The Company's further contact details are:

Tel.: +32 3 257 04 89 (Head Office)

Email: info@xior.be

www.xior.be

12.1.3 INCORPORATION

The Company was incorporated as a private limited company, Xior Student Housing NV, on 10 March 2014, by means of a deed executed before civil-law notary Peter Timmermans, notary in Antwerp, as published in the Annexes to the Belgian Official Journal of 28 March 2014 under number 14069091.

The Company was incorporated with an issued capital of KEUR 20, which is represented by 200 shares allocated to the founders as follows:

- Aloxe NV: 199 shares (99.50%);
- Bimmoc BVBA: 1 share (0.50%).

12.1.4 HISTORY OF THE COMPANY

Below we provide an overview of the most important changes in terms of corporate law that have occurred within the Company since its establishment.

Date	Event
10 March 2014	The Company is established as a private limited company under the name Xior Student Housing with a registered capital of KEUR 20, represented by 200 shares.
23 September 2015	The Company is converted into a limited company and the financial year is extended to 31 December 2015.
	The issued capital is increased to KEUR 1,250, represented by 12,500 shares.
23 November 2015	The existing 12,500 shares are split into 42,500 new shares at a ratio of 1 existing share to 3.4 new shares.
	The Articles of Association are amended after the Company's was licensed as a public RREC by the FSMA on 24 November 2015.
11 December 2015	The issued capital increases to EUR 90,242,678.39, represented by 4,626,780 shares following various contributions in kind and a contribution in cash as part of the completion of the IPO.
	The capital is reduced by EUR 6,960,638.39 to create a reserve for foreseeable losses, resulting in a new capital of EUR 83,282,040 represented by 4,626,780 shares.
	The Board of Directors is issued to increase the Company's authorised issued capital up to EUR 83,282,040 in one or more transactions.
	The Board of Directors is issued to acquire own shares or to accept them as security.
	The Board of Directors is issued to acquire own shares or to accept them as security. The Board of Directors is issued to acquire own Company shares, accept them as security and sell them in the event of serious imminent damage.
1 March 2016	The issued capital is increased to EUR 87,433,866, represented by 4,857,437 shares following the merger by acquisition of Devimmo NV.
1 August 2016	The issued capital is increased to EUR 88,754,814, represented by 4,930,823 shares following the merger by acquisition of CPG CVBA.
11 October 2016	The issued capital is increased to EUR 94,869,018, represented by 5,270,501 shares following a contribution in kind of all shares in the company Woonfront-Tramsingel Breda BV.

24 November 2016	Xior Student Housing NV acquires all shares in Stubis BVBA.
16 December 2016	Xior Student Housing NV enters into a silent merger by the acquisition of (i) Karibu Invest BVBA (following the silent merger of Karibu Invest BVBA by the acquisition of Kwartma BVBA), (ii) Retail Design BVBA, (iii) Eindhoven De Kroon BV and (iv) Woonfront-Tramsingel Breda BV.
17 January 2017	The issued capital is increased to EUR 97,538,994, represented by 5,418,833 shares following the contribution in kind of a student accommodation property (under construction) in Brussels.
22 June 2017	Increase of the share capital to EUR 146,308,482, represented by 8,128,249 shares as a result of the capital increase by contribution in cash, following the Service Public Offering (SPO) of June 2017 to subscribe to new shares as part of a capital increase in cash within the issued capital with irrevocable allocation right.
15 December 2017	Silent merger with Xior Student Housing NV through the acquisition of Amstelveen Keesomlaan 6-10 B.V., Bokelweg B.V., Burgwal B.V., Utrecht Willem Dreeslaan B.V., De Keulse Poort B.V., The Safe B.V., Woonfront-Antonia Veerstraat Delft B.V., Woonfront-Waldorpstraat Den Haag B.V., Woude B.V. (after the previous merger between Woude B.V. as the acquiring company and Stein 1 B.V. as the acquired company) and OHK Vastgoed B.V.
28 March 2018	The issued capital is increased to EUR 155,625,786, represented by 8,645,877 shares following the contribution in kind of a student accommodation property in Enschede to be renovated.
27 April 2018	Renewal of the Board of Directors' authorisation to increase the Company's authorised issued capital in one or more transactions.
12 June 2018	Increase of the share capital to EUR 233,438,670, represented by 12,968,815 shares as a result of the capital increase by contribution in cash, following the Service Public Offering (SPO) of June 2018 to subscribe to new shares as part of a capital increase in cash within the issued capital with irrevocable allocation right.
12 December 2018	Increase of the share capital to EUR 247,838,670, represented by 13,768,815 shares, as a result of the contribution in kind of all All-In Annadal B.V. company shares.
14 December 2018	Renewal of the Board of Directors' authorisation to increase the Company's authorised issued capital in one or more transactions.
	Amendment of the articles of association including a change of objectives in order to amend the articles of association following the amended Legislation on Regulated Real Estate Companies.
16 May 2019	Silent merger with Xior Student Housing NV by acquisition of Promiris Student NV.

4 June 2019	The issued capital is increased to EUR 250,541,244, represented by 13,918,958 shares following the contribution in kind within the framework of the optional dividend.
13 June 2019	The issued capital is increased to EUR 258,297,246, represented by 14,349,847 shares following a contribution in kind of the shares of the real estate company that owns the "Studax" student site in Leuven.
29 October 2019	Increase of the share capital to EUR 344,396,322, represented by 19,133,129 shares as a result of the capital increase by contribution in cash, following the Service Public Offering (SPO) of October 2019 to subscribe to new shares as part of a capital increase in cash within the issued capital with irrevocable allocation right.
6 November 2019	Renewal of the Board of Directors' authorisation to increase the Company's authorised issued capital in one or more transactions.
23 December 2019	Silent merger with Xior Student Housing NV by acquisition of Alma Student NV.

12.1.4.1 Company capital

A table showing the evolution of the Company's issued capital is included in *Chapter 10.9.17 of this Annual Report*.

12.1.4.2 Status as a regulated public real estate company

Xior Student Housing NV has the status of a public RREC.

Regulated real estate companies are defined in the Legislation on Regulated Real Estate Companies in terms of their activities. This activity consists primarily of making available real estate to users either directly or through a company in which it holds a participation. It may also own other real estate within the limits set in that regard (such as public shares and institutional RRECs, shares in public and institutional real estate investment companies with fixed capital (BEVAKs), units in certain foreign UCIs, shares issued by certain other REITs, real estate certificates and units in a specialised property investment fund), and can also (i) enter into joint ventures with a public client and (ii) develop, establish, manage or make available utilities and other facilities and installations itself or by contracting a third party in the long term, either directly or via a company in which it has a stake in accordance with the provisions of the Legislation on Regulated Real Estate Companies. The RREC may perform all the activities in this regard related to the construction, conversion, renovation, development (for its own portfolio), acquisition, disposal, management and operation of property. The RREC follows a strategy that aims to retain possession of its property for the long term. In performing its activities, it focuses on active management, which specifically implies that it assumes direct responsibility for the management of its activities and the development and day-to-day management of the properties, and that all other activities that it carries out add value to these properties or for those who use them, such as providing ancillary services in relation to the provision of the properties.

A public RREC is a regulated real estate company whose shares are permitted for trading on a regulated market and that raises funds in Belgium or abroad through a public offering of shares.

RRECs are governed by strict legislation. The Belgian legislature has ensured that the RREC provides a great deal of transparency in relation to its activities by stipulating that at least 80% of the adjusted net result (pursuant to Article 13 of the Royal Decree on Regulated Real Estate Companies) less the net reduction in the RREC's debt in the course of the financial year must be distributed. RRECs also benefit from a special tax regime.

The RREC is subject to the supervision of the FSMA and specific regulations. The main characteristics of these regulations are the following:

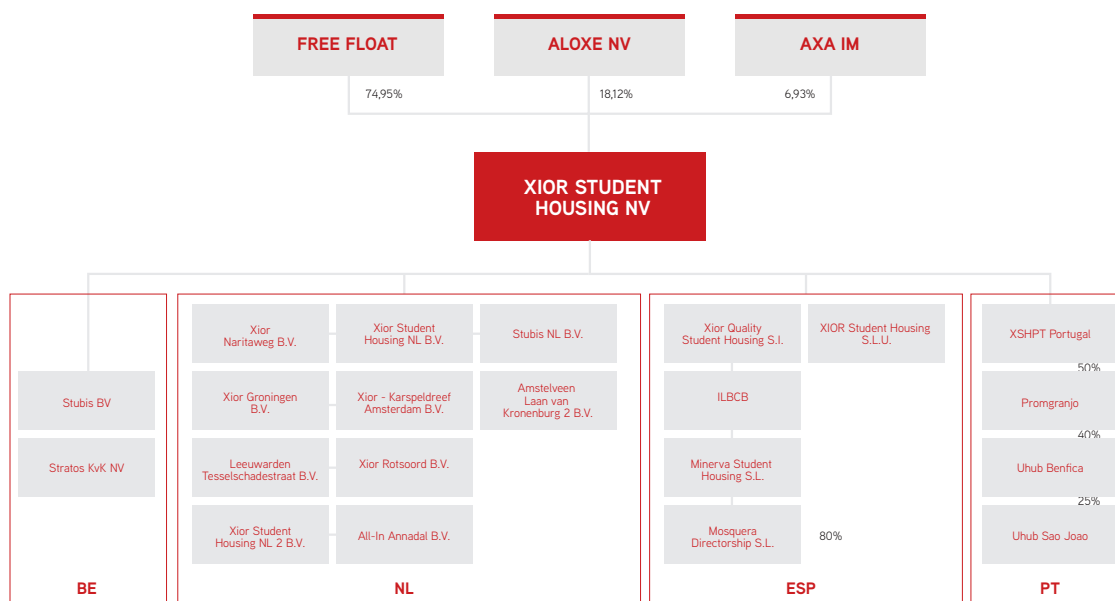
- The RREC must take the legal form of a public limited company.
- The shares of a public RREC must be admitted to trading on a regulated Belgian market and at least 30% of its voting securities must be continuously and permanently held by the public.
- The composition of the RREC's Board of Directors must be such that the RREC can be managed in accordance with Article 4 of the Law on Regulated Real Estate Companies. The permitted activities of the RREC are essentially limited to the activities provided in Article 4 of the Law on Regulated Real Estate Companies, as described above.
- Strict rules in relation to conflicts of interest and internal control structures must be observed.
- The RREC may not act as a property developer, unless this only happens occasionally.
- The portfolio must be recorded at Fair Value (under IFRS); the RREC may not depreciate its real estate.
- An independent valuation expert appraises the RREC's assets both periodically (each quarter) and on an ad hoc basis (for example when the RREC issues shares or enters into a merger). The expert may only be entrusted with the appraisal of a certain asset for a maximum of three years. After the end of this period, the expert may only appraise this asset again after a three-year period has passed since the previous period.
- Unless this results from a change in the Fair Value of the assets, the RREC's consolidated and separate debt ratio may not exceed 65% of the consolidated or separate assets, as the case may be, less the permitted hedging instruments, in accordance with Article 23 of the Royal Decree on Regulated Real Estate Companies.
- The annual financial costs that form part of the RREC's debt may not at any time exceed 80% of the consolidated net operating result, in accordance with Article 25 of the Royal Decree on Regulated Real Estate Companies.
- Security may be provided only in relation to financing the activities of the Company or Group, and is limited to 50% of the total Fair Value of the consolidated assets and, for each encumbered asset, to 75% of the value of that encumbered asset.
- The RREC must diversify its investments so that the risks are appropriately spread. In principle, the RREC must not hold any 'asset unit' that represents more than 20% of the consolidated assets.
- At least 80% of the adjusted net result (pursuant to Article 13 of the Royal Decree on Regulated Real Estate Companies) less the net reduction in the RREC's debt in the course of the financial year must be distributed as repayment of capital.
- Dividends paid by a public RREC like Xior are generally subject to 30% withholding tax in Belgium (see Articles 171, 3° to 269, Section 1(1) of the Belgian Income Tax Code).
- The result (rental income and capital gains from sales, less the operating expenses and financial charges) of the

RREC in Belgium is exempt from corporation tax. Although the RREC is subject to corporation tax at the normal rate, its taxable base is limited to the sum of (i) the extraordinary or gratuitous advantages that it receives and (ii) the expenses and costs that cannot be deducted as business costs other than impairments and capital losses on shares (see Article 185bis of the Belgian Income Tax Code). It may also be subject to a special assessment on secret commissions of 103% or 51.5% if the acquiring party is a legal entity, on commissions and remuneration that have been paid but not declared in individual records and a summary return. The results of the activities in the Netherlands, Spain and Portugal are subject to local income tax. Stratos KvK is registered on the list of specialised real estate investment funds.

12.2 GROUP STRUCTURE

12.2.1 EXTERNAL GROUP STRUCTURE

On 31 December 2019, the Company's group structure was as follows:



* Shelf company for future project - All participations are held 100% unless otherwise stated

For information on the diversification of share ownership, please refer to *Chapter 6.1.3.2 of this Annual Report*.

12.2.2 INTERNAL ORGANISATIONAL STRUCTURE

On 31 December 2019, the Company had 53.35 FTEs, excluding the management team, divided into an operational department (headed by the CEO) and a support administrative department (headed by the CFO).

12.2.3 SUBSIDIARIES

On 31 December 2019, the Company had 14 subsidiaries which are 100% owned directly by the Company. The 100% subsidiaries are (for Belgium) Stubis BV and Stratos KVK NV and (for the Netherlands) Xior Rotsoord B.V., Xior Naritaweg B.V., Stubis NL B.V., Leeuwarden Tesselschadestraat B.V., All-In Annadal B.V., Xior Student Housing NL B.V., Xior Student Housing NL 2 B.V., Xior-Karspeldreef Amsterdam B.V., Xior Groningen B.V., and (for Spain) Xior Quality Student Housing S.L., Xior Student Housing S.L.U. and (for Portugal) XSHPT Portugal.

In addition, the Company has the following (direct and indirect) 100% sub-subsidiaries: Amstelveen Laan van Kronenburg 2 B.V., I Love Barcelona Campus Besòs S.L., Minerva Student Housing S.L. In Spain, through Xior Quality Student Housing S.L., Xior also holds an 80% stake in Mosquera Directorship S.L.

Stubis is responsible for providing 'property services to third parties' in accordance with Article 6 of the Law on Regulated Real Estate Companies. It is noted in this regard that the Company always aims to provide the best possible service both to its own buildings and the buildings that form part of these 'property services to third parties', and thus strives in particular for an optimal occupancy rate of these buildings. The Company takes the view that very few to no conflicts of interest arise in this regard because letting out both types of buildings is in the Company's interest. In practice, the choice of a specific room is moreover made by the prospective tenant. Although the Company will assist prospective tenants in choosing a specific room based on their wishes and requirements (for example, preferred locations), the full range of student rooms and obviously availability, the final choice lies with each prospective tenant. Conflicts of interest are therefore kept to a minimum or do not even exist.

In addition, Xior has three subsidiaries in which it holds a certain interest. This concerns Promganjo S.L. in which 50% of the shares are held through XSHPT Portugal S.L., U.hub Benfica S.L., in which 40% of the shares are held through XSHPT Portugal S.L. and U.hub São João S.L., in which 25% of the shares are held through XSHPT Portugal S.L. They are all joint ventures. (See *Chapter 5.4 of this Annual Report*.)

12.2.4 AVAILABILITY OF COMPANY DOCUMENTS AND OTHER INFORMATION

The Company must file its consolidated Articles of Association, including whenever these are revised and amended, and other documents that must be published in the Annexes to the Belgian Official Journal with the registry of the Antwerp Commercial Court (Belgium), Antwerp section, where these will be available to the public. A copy of the most recent consolidated Articles of Association and the Corporate Governance Charter must also be made available on the Company's website. The Annual Financial Report from 2018 or 2019 is included by reference and is also available on the Company website.

In accordance with Belgian legislation, the Company must draw up separate and consolidated annual financial statements that are to be audited. The separate and consolidated annual financial statements and the related reports of the Board of Directors and the Statutory Auditor must be filed with the National Bank of Belgium, where these will be available to the public. As a listed company, the Company is moreover obliged to publish its abridged, half-yearly financial statements, as well as its audited annual financial statements, the Statutory Auditor's report and its Board of Directors' Annual Report.

The Company must disclose all information that qualifies as 'foreknowledge' (inside information) under the applicable regulations to the public. The Company must also disclose information about its shareholder structure and certain other information to the public.

In accordance with the Royal Decree of 14 November 2007, such information and documents are made available through press releases, the financial press in Belgium, the Company's website (on condition that the conditions set out in Article 14 of the Royal Decree of 14 November 2007 are met), the communication channels of Euronext Brussels or a combination of these media, via which these documents can be consulted.

The Company website is www.xior.be. A copy of the above-mentioned documents can also be obtained from the Company's registered office.

12.3

SERVICE PROVIDERS OF THE COMPANY

12.3.1 VALUATION EXPERTS

In accordance with Article 24 read together with Articles 47 et seq. of the Law on Regulated Real Estate Companies, the Company uses independent valuation experts who are responsible for the periodic and ad hoc valuations of its assets.

Stadim CVBA, Mechelsesteenweg 180, 2018 Antwerp, Belgium is entrusted with the real estate appraisal assignments for real estate located in Belgium and certain real estate located in the Netherlands. Cushman & Wakefield, Gustav Mahlerlaan 362-364, 1082 ME Amsterdam, The Netherlands is entrusted with the real estate appraisal assignments for the other real estate located in the Netherlands. Cushman & Wakefield, Avenida de Liberdade 131-5°, 1250-140 Lisbon, Portugal is entrusted with the real estate appraisal assignments for the other real estate located in Portugal. The real estate expert assignments relating to real estate located in Spain are entrusted to CBRE, Edificio Castellano 20, P° de la Castellana 202 planta 8, 28046 Madrid (together they are referred to as the "Valuation Experts"). For this purpose, the Company and the respective Valuation Experts entered into an initial property appraisal agreement on 18 November 2015, under which the Valuation Experts act as appraisers (i) for the initial valuation of the Company's property after becoming licensed as an RREC, (ii) for the annual variations in the fair value and quarterly adjustments, and (iii) any subsequent appraisals of assets that the Company wishes to acquire or sell. The Valuation Experts also update the total valuation of the Company's assets based on market developments and the individual characteristics of the assets concerned at the end of each quarter.

Based on the above agreements, the Valuation Experts are appointed for a fixed three-year period, starting for the first time for the Netherlands and Belgium on 1 January 2016. In accordance with Article 24 of the Law on Regulated Real Estate Companies, a new agreement may be concluded with a Valuation Expert, where relevant, only after a period of three years has passed between the end of the current period and the new period (rotation principle). However, since the Valuation Experts are legal entities, the above rotation principle applies solely to the natural persons who represent the respective Valuation Experts, on condition that the respective Valuation Experts show that appropriate functional independence exists between these natural persons. This 'internal' rotation principle was applied and the mandates of both Valuation Experts were renewed for a three-year period, with Stadim represented by Céline Janssens and Cushman & Wakefield represented by Jurre Brantsma.

The contract with Cushman & Wakefield Portugal was signed on 7 May 2019, with Cushman & Wakefield being represented by Ricardo Reis. The contract with CBRE was signed on 15 January 2019, with CBRE being represented by Javier Caro.

The Valuation Experts appraise all the properties (land and buildings) in the Company's portfolio.

The Valuation Experts are entitled to an annual fee based on the size of the Company's portfolio. The experts' fees are not directly or indirectly related to the value of the property they assess. For the financial year 2019, the total remuneration of the Valuation Experts amounts to EUR 576,893 (incl. VAT), of which EUR 335,306 for Stadim, EUR 119,790 for Cushman & Wakefield Netherlands, EUR 57,257 for Cushman & Wakefield Portugal and EUR 64,541 for CBRE Spain.

12.3.2 STATUTORY AUDITOR

During the general meeting held on 16 May 2019, the Company appointed PricewaterhouseCoopers Bedrijfsrevisoren BV (PwC), a professional partnership (BV) incorporated in the form of a cooperative society with limited liability (CVBA), represented by Statutory Auditor Damien Walgrave and member of the Belgian Institute of Statutory Auditors, with registered office at Woluwedal 18, 1932 Diegem, listed at the Crossroads Bank for Enterprises under enterprise number VAT BE 0429.501.944 (Brussels Register of Legal Entities), whose designated representative is Damien Walgrave, reappointed as the Statutory Auditor of the Company (the 'Statutory Auditor'), up to and including the general meeting that will decide on the annual financial statements drawn up for the year closing 31 December 2021.

The annual fee of the Statutory Auditor for examining and auditing the separate and consolidated accounts of the Company and its subsidiaries was fixed for the term of its mandate at EUR 45,000 (excluding VAT and expenses), subject to annual indexation.

For a summary of the statutory auditor's fee in the 2019 financial year, please refer to *Chapter 10.9.29 of this Annual Report*.

PwC, represented by auditor Mr Peter Ringoot, was reappointed as the Statutory Auditor of the company Stubis BV on 27 August 2019 for a 3-year period until after the ordinary general meeting of shareholders of 2022. The fixed fee of the Statutory Auditor for examining and auditing the separate accounts of Stubis BVBA is EUR 2,600 (excluding VAT and expenses), subject to annual indexation.

PwC, represented by auditor Mr Peter Ringoot, was appointed as the Statutory Auditor of company Stratos KVK NV for a 3-year period on 13 June 2019. The fixed fee of the Statutory Auditor for examining and auditing the separate accounts of Stratos KVK NV is EUR 5,000 (excluding VAT and expenses), subject to annual indexation.

The Statutory Auditor has agreed that its reports are included in this Annual Report under *Chapters 7.6.4 and 10.9.37*.

12.4.3 FINANCIAL SERVICE

ING België NV

Legal Financial Markets

Marc Sanders

Avenue Marnix/Marnixlaan 24

1000 Brussels

+ 32 2 547 31 40

marc.sanders@ing.be

A fee of EUR 11,217 excl. VAT was paid for 2019.

12.4.4 LIQUIDITY PROVIDER

Bank Degroof Petercam NV

Nijverheidsstraat 44

1040 Brussels

A fee of EUR 30,000 excl. VAT was paid for 2019.

12.4

CONSOLIDATED ARTICLES OF ASSOCIATION OF THE COMPANY AS OF 6 NOVEMBER 2019

HISTORY

(in accordance with Article 75(1)(2) of the Belgian Companies Code)

The Company was incorporated as a private limited liability company by means of a deed executed before the undersigned civil-law notary Peter Timmermans on 10 March 2014, and published in the Annexes to the Belgian Official Journal of 28 March 2014 under number 2014-03-28/14069091.

The Articles of Association were amended by means of a deed before the same notary Peter Timmermans on:

- 23 September 2015, which included a conversion of the legal form into the current form, published in the Annexes to the Belgian Official Journal of 20 November 2015 under number 2015-11-20/0162805.
- 23 November 2015, which included a capital increase and an amendment to the Articles of Association to obtain the status of a regulated public real estate company, published in the Annexes to the Belgian Official Journal of 8 December 2015 under number 2015-12-08/0170864.
- 11 December 2015, which included various mergers by acquisition and a capital increase by means of non-cash and cash contributions, published in the Annexes to the Belgian Official Journal of 5 January 2016 under number 2016-01-05/0001184.
- 1 March 2016, which included a merger by acquisition published in the Annexes to the Belgian Official Journal of 6 April 2016 under number 2016-04-06/16047694.

The Articles of Association were amended by a deed executed before notary Yves De Deken, replacing his colleague notary Peter Timmermans who could not attend, both practising in Antwerp, on 1 August 2016,

containing a merger by acquisition, published in the Annexes to the Belgian Official Journal of 5 September 2016 under number 2016-09-05/16123425.

The Articles of Association were last amended by means of a deed before the same notary Peter Timmermans on:

- 11 October 2016, which included a capital increase by a contribution in kind in the context of the issued capital, published in the Annexes to the Belgian Official Journal of 31 October 2016 under number 2016-10-31/16150541.
- 17 January 2017, which included a capital increase by a contribution in kind in the context of the issued capital, published in the Annexes to the Belgian Official Journal of 15 February 2017 under number 2017-02-15/17024925.
- 22 June 2017, which included the establishment of a capital increase by contribution in cash (decided by the Board of Directors on 6 June 2017 in the context of the issued capital presented before the same undersigned notary and published in the Annexes to the Belgian Official Journal of 21 June 2017 under number 2017-06-21/17086917), published in the Annexes to the Belgian Official Journal of 10 July 2017 under number 2017-07-10/17098233.
- 28 January 2018, which included a capital increase by a contribution in kind, published in the Annexes to the Belgian Official Journal of 20 February 2018 under number 2018-04-20/18065090
- 27 January 2018, which included a renewed capital increase in the context of the issued capital, published in the Annexes to the Belgian Official Journal of 28 May 2018 under number 2018-05-28/18082291

- 12 June 2018, which included the establishment of a capital increase by contribution in cash (decided by the Board of Directors on 29 May 2018 in the context of the issued capital presented before the same undersigned notary), published in the Annexes to the Belgian Official Journal of 18 June 2018 under number 2016-06-18/18317764.
- 12 December 2018, which included a capital increase by a contribution in kind in the context of the issued capital, published in the Annexes to the Belgian Official Journal of 17/12/2018 under number 2018-12-17/18340508.
- 14 December 2018, which included a change of objectives and a renewed capital increase in the context of the issued capital, published in the Annexes to the Belgian Official Journal of 21 December 2018 under number 2018-12-21/0341749.
- 4 June 2019, which included the establishment of a capital increase by contribution in kind, published in the Annexes to the Belgian Official Journal of 06 June 2019 under number 2019-0606/19320265 (which capital increase was decided by the Board of Directors on 16 May 2019 in the context of the issued capital presented before the same undersigned notary, published in the Annexes to the Belgian Official Journal of 24 May 2019 under number 2019-05-24/19318725).
- 13 June 2019, which included a capital increase by a contribution in kind, published in the Annexes to the Belgian Official Journal of 18 June 2019 under number 2019-06-18/19321724.
- 29 October 2019, which included the establishment of a capital increase by contribution in cash (which capital increase was decided by the Board of Directors on 15 October 2019 in the context of the issued capital presented before the same undersigned notary and published in the Annexes to the Belgian Official Journal of 24 October 2019 under number 2019-10-24/19340581), published in the Annexes to the Belgian Official Journal of 31 October 2019 under number 2019-10-31/19341646.
- 6 November 2019, which including renewing the authorisation to deposit authorised capital for publication in the Annexes to the Belgian Official Journal.

ARTICLES OF ASSOCIATION

Reference made in these Articles of Association to 'the regulations applicable to regulated real estate companies', means 'the regulations that apply at any time to regulated real estate companies'.

CHAPTER I – NAME – LEGAL FORM – DURATION – REGISTRED OFFICE – PURPOSE – PROHIBITORY STIPULATIONS

Article 1. Name and legal form

The Company name is 'Xior Student Housing' or 'Xior' for short.

The Company has the legal form of a public limited company.

The Company is subject to the statutory system of regulated public real estate companies under Belgian law, referred to below as a 'public RREC' or 'RREC'.

The corporate name of the Company and all of the documents that it produces (including all deeds and invoices) must contain the wording 'openbare gereguleerde vastgoedvennootschap naar Belgisch recht' (regulated public real estate company under Belgian law) or 'openbare GVV naar Belgisch recht' (public RREC under Belgian law) or 'OGVV naar Belgisch recht' (PRREC under Belgian law). The corporate name must also always be preceded or followed by the words 'naamloze vennootschap' (public limited company) or the abbreviation 'NV'.

The Company raises funds in Belgium or abroad by offering shares to the public, and thus made a public call on savings within the meaning of Article 438(1) of the Belgian Companies Code. The shares of the Company are admitted for trading on a regulated market and the Company thus qualifies as a listed company within the meaning of Article 4 of the Belgian Companies Code.

The Company is subject to all regulations that apply at any time to regulated real estate companies and, in particular, to the provisions of the Belgian Law of 12 May 2014 on regulated real estate companies ('the Law on Regulated Real Estate Companies') and the Royal Decree of 13 July 2014 on regulated real estate companies ('the Royal Decree on Regulated Real Estate Companies').

Article 2. Duration

The Company has been incorporated for an indefinite period.

Article 3. Office

The registered office of the Company is at Mechelsesteenweg 34, Box 108, 2018 Antwerp (Belgium) and the Company is listed in the register for legal entities (RPR) at the Antwerp Commercial Court, Antwerp section.

The registered office may be moved elsewhere in Belgium without any amendment to the Articles of Association by means of a simple resolution of the Company's Board of Directors, subject to the observance of language legislation. The Board of Directors must ensure that any change to the Company's registered office is published in the Annexes to the Belgian Official Journal.

The Company may establish suboffices, branches, subsidiaries, permanent establishments or agencies, both in Belgium and abroad, by means of a simple resolution of the Board of Directors.

Article 4. Purpose

The company's sole purpose is (x) to make real estate available to users either directly or via a company in which it has a participating interest in accordance with the provisions of the Law on Regulated Real Estate Companies and the decrees and regulations adopted for its implementation, and (y) to own real estate within the limits of the Law on Regulated Real Estate Companies.

Property means property within the meaning of the Law on Regulated Real Estate Companies, as well as other assets, shares or rights that are defined as property by the regulations applicable to regulated real estate companies.

For the purpose of making properties available, the Company may, in particular, perform all activities that relate to the erection, construction (without affecting the prohibition on acting as a property developer, except for occasional transactions), refurbishment, renovation, fitting out, development, acquisition, disposal, letting, subletting, exchange, contribution, transfer, parcelling out, placing under the system of co-ownership of or undivided interest in property, granting or acquiring rights of superficies, usufruct, long-term lease or other real or personal rights to property, and the management and operation of properties.

In accordance with the regulations applicable to regulated real estate companies, the Company may also:

- i. be a lessee of properties, with or without an option to purchase;
- ii. be a lessor of properties, with or without an option to purchase, on the understanding that acting as a lessor of properties with an option to purchase may be performed only as an ancillary activity, unless those properties are intended for purposes of general interest, including social housing and education, in which case this activity may be performed as a principal activity;
- iii. develop activities as part of a public-private partnership within the limits defined for this purpose by the regulations

applicable to regulated real estate companies, whether or not placed within an institutional regulated real estate company;

- iv. invest in securities that are not property within the meaning of the regulations applicable to regulated real estate companies, as either an ancillary or temporary activity. These investments must be made in accordance with the risk management policy adopted by the Company and be diversified in order to ensure appropriate risk diversification. The Company may also hold unallocated cash and cash equivalents. Cash and cash equivalents may be held in all currencies in the form of current account or term deposits or in the form of any other readily negotiable monetary instrument;
- v. provide mortgages or other personal or real securities for the purpose of financing the property activities of the Company or its group, within the limits defined for this purpose by the regulations applicable to regulated real estate companies;
- vi. take out or grant loans within the limits defined for this purpose by the regulations applicable to regulated real estate companies;
- vii. enter into transactions involving permitted hedging instruments, insofar as these transactions form part of a policy determined by the Company for hedging financial risks, with the exception of speculative transactions.

The Company may, with due observance of the regulations applicable to regulated real estate companies, acquire, rent or let, transfer or exchange immovable or movable assets, materials and required supplies, and generally perform all commercial or financial acts (including 'additional services' as referred to in the regulations applicable to regulated real estate companies) that relate directly or indirectly to its object, or that are simple in nature so as to pursue or facilitate the achievement of its object, both within Belgium and abroad.

With due observance of the regulations applicable to regulated real estate companies, the Company may, by means of a cash or non-cash contribution, merger, full or partial de-merger, or other restructuring under corporate law, subscription, participation, membership, financial intervention or otherwise, participate in (or be a member of) all existing or yet to be incorporated companies, undertakings or associations, in Belgium or abroad, whose corporate purpose is similar or complementary to its own, or is of such a nature as to pursue or facilitate the achievement of its object, and to generally perform all acts that are directly or indirectly associated with its corporate purpose.

Article 5. Prohibitions

The Company may not act as a property developer within the meaning of the regulations applicable to regulated real estate companies, unless this involves occasional transactions.

The Company is prohibited from:

- i. participating in a guarantee or underwriting association;
- ii. lending assets and liabilities, with the exception of loans that are made under the conditions and according to the provisions of the Royal Decree of 7 March 2006;
- iii. acquiring assets and liabilities that are issued by a company or association under private law that has been declared insolvent, has entered into a composition with its creditors, is the object of a judicial reorganisation procedure, has been granted a deferral of payment, or in respect of which a similar measure has been taken abroad.
- iv. entering into contractual agreements or providing stipulations in the Articles of Association with respect to so-called 'perimeter companies' that would affect the voting power they are entitled to according to the applicable law in terms of a participation of 25% plus one share. Perimeter companies are companies of which the regulated real estate company directly or indirectly holds more than 25% of the share capital.

- b. one hundred and seventy-two million one hundred and ninety-eight thousand one hundred and sixty-one euros (€172,198,161.00) for capital increases in connection with the distribution of an optional dividend,
- c. thirty-four million four hundred and thirty-nine thousand six hundred and thirty-two euros and twenty cents (€34,439,632.20) (a) for capital increases through contribution in cash without the possibility of exercising the legal preferential subscription right or the irreducible allocation right to be exercised by the shareholders of the Company, (b) for capital increases through contribution in kind and (c) for any other capital increases,

on the understanding that the Board of Directors will in any event never be able to increase the capital by more than the legal maximum amount, being the amount of the capital on the date of the extraordinary general meeting of 6 November 2019.

This authorisation is valid for a five-year period from the publication in the Annexes to the Belgian Official Journal of the minutes of the extraordinary general meeting of 06 November 2019.

This authorisation can be renewed.

The Board of Directors will determine the price, any issue premium and the issue conditions of the new securities for each capital increase.

CHAPTER II – CAPITAL – SHARES – OTHER SECURITIES**Article 6. Capital**

The capital is set at three hundred and forty-four million three hundred and ninety-six thousand three hundred and twenty-two euros and zero cents (€344,396,322). It is represented by nineteen million one hundred and thirty-three thousand one hundred and twenty-nine (19,133,129) shares without par value, each representing one 19,133,129th of the capital.

Article 7. Authorised capital

The Board of Directors is authorised to increase the company's capital, on one or more occasions, on the dates and under the conditions that it determines, subject to a maximum amount of:

- a. one hundred and seventy-two million one hundred and ninety-eight thousand one hundred and sixty-one euros (€172,198,161) for public capital increases through contribution in cash allowing the preferential subscription right or the irreducible allocation right to be exercised by the Company shareholders,

Within the boundaries set by the first paragraph, these capital increases may be implemented by cash contributions, non-cash contributions, mixed contributions or the conversion of reserves, including retained profits and issue premiums, as well as all equity components under the Company's IFRS statutory annual financial statement (drawn up under the regulations applicable to registered real estate companies) that are subject to conversion into capital, whether or not with the creation of new securities, in accordance with the rules prescribed by the applicable regulations and these Articles of Association.

The Board of Directors may issue new shares in this respect. Where appropriate, share premiums will be recorded in one or more separate accounts under shareholders' equity on the liabilities side of the balance sheet. If the capital increases decided by the Board of Directors include an issue premium, the Board of Directors can freely decide to place the issue premium amount – possibly reduced by an amount up to the costs of the capital increase as referred to by the applicable IFRS rules – in a non-distributable reserve account to serve as a guarantee to third parties in the same way as the capital. Subject to the issue premium's incorporation into the capital, it can only be reduced or abolished in a resolution at the general shareholders' meeting in accordance with the quorum and majority rules applicable to amendments of the Articles

of Association.

Binnen de grenzen bepaald in het eerste lid, kan de raad van bestuur tevens warrants of inschrijvingsrechten (al dan niet aan een ander effect gehecht) en converteerbare obligaties of obligaties terugbetaalbaar in aandelen uitgeven, die aanleiding kunnen geven tot de creatie van dezelfde effecten waarnaar wordt verwezen in het vorige lid, en dit steeds met naleving van de regels voorgeschreven door de toepasselijke regelgeving en deze statuten.

Within the boundaries set by the first paragraph, the Board of Directors may also issue warrants or subscription rights (whether or not attached to another security) and convertible bonds or bonds payable in shares, which could give rise to the creation of the same securities as referred to in the previous paragraph, always subject to compliance with the rules prescribed by the applicable regulations and these Articles of Association.

Within the boundaries set by the first paragraph and notwithstanding the application of the applicable regulations, the Board of Directors may also limit or cancel the pre-emptive right, even if it operates in favour of one or more persons other than employees of the Company or its subsidiaries, insofar as an irreducible allocation right is granted to the existing Shareholders on the award of new securities (insofar as permitted by law). This irreducible allocation right must at least comply with the conditions as set out in Article 11.1 of these Articles of Association. Without prejudice to the application of the applicable regulations, the foregoing restrictions shall not apply in the case of a contribution in cash with a restriction or withdrawal of the preferential pre-emptive right, (i) in the context of the authorised capital, where the cumulative amount of capital increases which, in accordance with Article 26, Section 1(3) of the Law on Regulated Real Estate Companies, have been implemented over a period of 12 months, do not exceed 10% of the amount of the capital at the time of the decision to increase the capital or (ii) in addition to a contribution in kind within the framework of the distribution of an optional dividend, insofar as this is effectively made payable to all shareholders.

If securities are issued in return for a non-cash contribution, the conditions as stated in Article 11.2 of these Articles of Association must be fulfilled (including the possibility of deducting an amount that corresponds to the portion of the unpaid gross dividend). However, the special rules on a capital increase by non-cash contribution, as set out under Article 11.2, do not apply to the contribution of the right to a dividend as part of the distribution of an optional dividend, insofar as this is actually made payable in respect of all shareholders.

The Board of Directors is issued to have any ensuing amendments to

the articles of association recorded in a legally valid manner.

Article 8. Nature of the shares

The shares of the Company are registered or dematerialised, at the option of the shareholder. The shareholders may make a written request to convert registered shares into dematerialised shares, or vice versa, at any time.

A dematerialised share is represented by an entry in an account, in the name of the owner or holder, at a recognised account holder or settlement institution and is transferred by way of transfer from account to account. The number of the dematerialised shares in circulation at any given time is entered in the register of registered shares in the name of the settlement institution.

A register of the registered shares is held at the Company's registered office, in electronic form as the case may be. Ownership of the shares is evidenced by the entry in the share register.

There are no different types of shares.

Article 9. Effects

With the exception of profit-sharing certificates and similar securities, and subject to due observance of the regulations applicable to regulated real estate companies, the Company may issue the securities referred to in Article 460 of the Belgian Companies Code, and any other securities permitted under company law, in accordance with the rules prescribed therein and the regulations applicable to regulated real estate companies.

Article 10. Acquisition and disposal of own shares

The Company may acquire its own shares or accept them in pledge in accordance with the conditions laid down in the Belgian Companies Code, provided that prior notice of the transaction is given to the Financial Services and Markets Authority (FSMA).

In accordance with the resolution of the general meeting of shareholders of 23 November 2015, the Board of Directors is permitted to acquire own shares or accept them in pledge, subject to a maximum of 20% (twenty per cent) of the total issued shares, at a unit price that may not be lower than 10% (ten per cent) of the average price for the last thirty days of listing of the share on Euronext Brussels, or higher than 110% (one hundred and ten per cent) of the average price for the last thirty days of listing of the share on Euronext Brussels.

This renewable authorisation is granted for a five-year period, as from 23 November 2015.

The Company may acquire its own shares or accept them in pledge without having to make an offer of purchase to all shareholders on condition that it guarantees the equal treatment of the shareholders under equal circumstances by means of equivalence of the offered price in accordance with Article 620, Section 1(5) of the Belgian Companies Code.

The Board of Directors is permitted to dispose of own shares that are listed within the meaning of Article 4 in accordance with Article 622, Section 2, paragraph 2(1) of the Belgian Companies Code.

In accordance with the resolution of the general meeting of shareholders of 23 November 2015, the Board of Directors is permitted to acquire its own shares, at a unit price that may not be lower than 75% (seventy-five per cent) of the average price for the last thirty days of listing of the share on Euronext Brussels.

This authorisation is granted for an indefinite period.

The Board of Directors is permitted to acquire, accept in pledge and dispose of the Company's own shares if the acquisition or disposal is necessary to avoid impending serious harm to the Company, subject to the conditions included in Article 620 et seq. of the Belgian Companies Code. The general meeting of the Company granted this authorisation on 23 November 2015 for a three-year period, as from the date of publication of this authorisation in the Schedules to the Belgian Official Journal.

The aforementioned authorisations also permit the acquisition, acceptance in pledge and disposal of the Company's own shares by one or more of its subsidiaries within the meaning of Article 627(1) of the Belgian Companies Code, including by people acting in their own name but on behalf of those subsidiaries.

Article 11. Alteration of the capital

Notwithstanding the possibility to use issued capital by means of a resolution of the Board of Directors, subject to due observance of the regulations applicable to regulated real estate companies, a resolution to increase or decrease capital may be adopted only by an extraordinary general meeting in the presence of a civil-law notary.

If the general meeting adopts a resolution to request an issue premium, this must be placed in a non-distributable reserve that serves as a guarantee for third parties in the same way as the capital and which, subject to its incorporation in the capital, will only be able to be reduced or abolished by means of a resolution of the general meeting of shareholders deliberating in accordance with the conditions for a quorum and majority that apply to an amendment of the Articles of Association.

11.1 Capital increase by cash contribution

In case of a capital increase by cash contribution, and notwithstanding the application of Articles 592-598 of the Belgian Companies Code, the pre-emptive right can be restricted or cancelled only insofar as the existing shareholders are granted an irreducible allocation right on the granting of new securities.

This irreducible allocation right must meet the following conditions imposed by the regulations applicable to regulated real estate companies:

- i. It must relate to all newly issued securities.
- ii. it must be granted to the shareholders in proportion to the capital represented by their shares at the time of the transaction;
- iii. a maximum share price must be announced no later than on the eve of the start of the public subscription period.
- iv. in that case, the public subscription period must be open for at least three stock exchange days.

Notwithstanding the application of Articles 595-599 of the Belgian Companies Code, the aforementioned restrictions with regard to the capital increase by cash contribution do not apply to a cash contribution with any restriction or cancellation of the pre-emptive right, in addition to a non-cash contribution as part of the distribution of an optional dividend, insofar as this is actually made payable in respect of all shareholders.

11.2 Capital increase by non-cash contribution

If securities are issued in return for a non-cash contribution, notwithstanding Articles 601 and 602 of the Belgian Companies Code, the following conditions must be met:

- i. the identity of the contributor must be specified in the report to the Board of Directors as referred to in Article 602 of the Belgian Companies Code, as well as, where applicable, in the notices for the general meeting that is convened for the capital increase;
- ii. the issue price may not be less than the lowest value of (a) a net value per share that dates from no longer than four months before the date of the contribution agreement or, at the Company's discretion, before the date of the deed for the capital increase and (b) the average closing price for the thirty calendar days prior to the same date;
- iii. except if the issue price, or in the case as referred to in Article 11.3, the exchange ratio, as well as the relevant conditions are determined on or before the working day after the contribution

agreement is concluded and announced to the public, stating the period within which the capital increase will be implemented, the deed for the capital increase must be executed within a maximum of four months;

- iv. the report referred to under point (i) above must also explain the impact of the proposed contribution on the position of the former shareholders, in particular as regards their share in the profit, in the net value per share and in the capital, as well as on voting rights.

For the application of point (ii) above, an amount corresponding to the portion of the undistributed gross dividend to which new shares would possibly confer no right may be deducted from the amount referred to under point (b). Where applicable, the Board of Directors will specifically account for the deducted dividend amount in its special report and explain the financial conditions in its annual financial report.

The special rules on a capital increase by non-cash contribution, as set out under Article 11.2, do not apply to the contribution of the right to a dividend as part of the distribution of an optional dividend, insofar as this is actually made payable in respect of all shareholders.

11.3 Mergers, de-mergers and equated transactions

The special rules on capital increase by non-cash contribution, as set out under Article 11.2, apply by analogy to the mergers, de-mergers and equated transactions referred to in Articles 671-677, 681-758 and 772(1) of the Belgian Companies Code.

In this case, the 'date of the contribution agreement' refers to the date on which the merger or de-merger proposal is filed.

11.4 Capital reduction

The Company may reduce its capital subject to compliance with the relevant statutory provisions.

Article 12. Notice of significant holdings

In accordance with the terms, conditions and stipulations of Articles 6-13 of the Belgian Law of 2 May 2007 and the Royal Decree of 14 February 2008 on the disclosure of significant holdings (the 'Transparency Legislation'), every natural person or legal entity must give notice to the Company and the FSMA of the number and percentage of the existing voting rights that they hold, directly or indirectly, if the number of those voting rights reach, exceed or remain below 5%, 10%, 15%, 20% and so on (in increments of 5% each time) of the total existing voting rights, under the conditions laid down by the Transparency Legislation.

CHAPTER III – GOVERNANCE AND REPRESENTATION

Article 13. Appointment - dismissal/resignation - vacancy

The Company is governed by a Board of Directors. The Board of Directors consists of at least five directors, who may but need not be shareholders, appointed by the general meeting of shareholders for a maximum of six years and who may be dismissed by the general meeting of shareholders at any time.

Outgoing directors are eligible for reappointment.

Aloxe NV (or persons who, with the prior and written consent of Aloxe NV, assume the promotership as stipulated in Article 2(13) of the Law on Regulated Real Estate Companies from Aloxe NV ('the Successors')) is (are) entitled to propose (or jointly propose) candidates for three directorships, until the last of the following events occurs: (i) Aloxe NV (or its Successors) owns (or jointly own) less than 25% of the Company's capital, and (ii) Aloxe NV (or its Successors) is (or are) no longer the Company's promoter in the sense of the Legislation on Regulated Real Estate Companies.

The Board of Directors must have at least three independent members within the meaning of Article 526ter of the Belgian Companies Code. The directors must permanently possess the professional reliability and appropriate expertise required for the performance of their duties, as set out in the regulations applicable to regulated real estate companies, and may not fall within the scope of the prohibitory stipulations of those regulations.

If a vacancy arises on the Board of Directors, the remaining directors will be entitled to temporarily fill the vacancy until the next general meeting, which will make a definitive appointment. Any directors appointed in this manner by the general meeting finish the mandate of the director that they replace.

After resigning, each director is obliged to continue performing their duties until a replacement can reasonably be arranged.

Article 14. Chair and meetings of the Board of Directors

The Board of Directors may appoint a chairperson from among its members. The Board of Directors is convened by the chairperson, two directors or the Managing Director whenever required in the interests of the Company.

Meeting notices state the time, date and place of the meeting and must be sent by letter, telegram, fax, e-mail or in another written manner (electronically or otherwise) on or before the third calendar day prior to that of the meeting. If the above notice period is not feasible, a

shorter period is possible. If necessary, notice of the meeting can be given by telephone in addition to the above forms of notice.

Each director who attends or arranges to be represented at a board meeting, is deemed to have received due notice. A director may also waive the right to invoke the lack of or irregularity of the notice, either before or after a meeting that they have failed to attend. The regularity of the notice does not need to be justified in any event if all directors are present or duly represented and declare that they accept the agenda.

Board meetings may be held validly by video or telephone conference or similar means of communication by which all persons participating in the meeting are able to hear each other. In such a case, the meeting is deemed to be held at the Company's registered office if at least one director was physically in attendance there.

Each director may give a proxy to another board member, by letter, fax, e-mail or in another written manner, to represent them at a certain meeting.

The Board of Directors is chaired by the chairperson. If the chairperson is unable to attend or has not yet been appointed, the Board of Directors will be chaired by the oldest director in attendance.

Article 15. Deliberation

The Board of Directors may validly deliberate on and adopt resolutions only if at least the majority of the directors are present or represented. If this quorum is not reached, a new board meeting may be convened with the same agenda, which will validly deliberate and adopt resolutions if at least two directors are present or represented.

If justified by urgency and the interests of the Company, a resolution may be adopted by the unanimous, written consent of all directors. However, this procedure may not be used for the approval of the annual financial statements and for the issued capital.

If a director has a direct or indirect interest of a financial nature that is in conflict with a resolution or transaction that falls under the Board of Directors' authority, they must act in accordance with the provisions of Article 523 of the Belgian Companies Code. The members of the Board of Directors must also comply with Articles 37-38 of the Law on Regulated Real Estate Companies.

Subject to the following provisions, resolutions of the Board of Directors are adopted by a majority of the votes cast.

Abstentions or invalid votes are not counted as votes cast. If the votes are tied within the Board of Directors, the motion is rejected.

Article 16. Powers of the Board of Directors

The Board of Directors has the most extensive powers to perform all acts that are necessary or useful for achieving the Company's objectives. It is issued to perform all acts that are not expressly reserved for the general meeting by law or in these Articles of Association.

Article 17. Records

Resolutions of the Board of Directors are recorded in minutes that are signed by the chairperson of the meeting, the secretary if one has been appointed, and the board members who wish to sign them. The minutes are kept in a special register. Proxies are attached to the minutes. Copies or extracts that need to be produced in court or elsewhere are signed by the chairperson of the Board of Directors, two directors or one director who is entrusted with the day-to-day management. This power may be assigned to an issued representative.

Article 18. Fees

The mandate of a director is paid. Directors' fees are determined by the general meeting. Members of the Board of Directors are entitled to the reimbursement of normal and justified expenses and costs which they can demonstrate have been incurred in the performance of their mandate.

Article 520ter, paragraphs 1 and 2 of the Belgian Companies Code is declared inapplicable. By way of derogation from Article 520ter, paragraph 1 of the Belgian Companies Code, shares may therefore be definitively acquired and share options or all other rights to acquire shares may be exercised in accordance with the issue conditions as determined, where applicable, by the general meeting or the Board of Directors or their issued representative(s). Furthermore, by way of derogation from Article 520ter, paragraph 2 of the Belgian Companies Code, the conditions on variable remuneration, including the applicable periods relating to this remuneration, are also determined by the Board of Directors (on the recommendation of or acting as the remuneration committee).

Article 19. Effective management and day-to-day management

The effective management of the company must be entrusted to at least two persons, who must possess the professional reliability and appropriate expertise required for the performance of their duties, and must comply with the requirements set by the regulations applicable to regulated real estate companies. They may not fall within the scope of the prohibitory provisions of the Legislation on Regulated Real Estate Companies.

The Board of Directors may entrust the day-to-day management of

the Company and the representation in this regard to one or more directors who will use the title of managing director.

If the day-to-day management is delegated, the Board of Directors will determine the remuneration attached to this mandate.

Article 525 in conjunction with Article 520ter, paragraphs 1 and 2 of the Belgian Companies Code are declared inapplicable. By way of derogation from Article 525 in conjunction with Article 520ter, paragraph 1 of the Belgian Companies Code, shares may therefore be definitively acquired and share options or all other rights to acquire shares may be exercised in accordance with the issue conditions as determined, where applicable, by the general meeting or the Board of Directors or their issued representative(s). Furthermore, by way of derogation from Article 525 in conjunction with Article 520ter, paragraph 2 of the Belgian Companies Code, the conditions on variable remuneration, including the applicable periods relating to this remuneration, are also determined by the Board of Directors (on the recommendation of or acting as the remuneration committee).

Article 20. External representative authority

The Company is duly represented in all its dealings, including in court, by two directors.

The Company is duly represented in relation to its day-to-day management by one managing director.

Article 21. Special powers of authority

The Board of Directors may delegate its powers for special and certain matters to an issued representative, even if this person is not a shareholder or director.

The issued representatives bind the Company within the limits of their power of attorney, notwithstanding the responsibility of the Board of Directors if a power of attorney is exceeded.

A managing director may delegate their powers for special and certain matters to an issued representative, even if this person is not a shareholder or director.

Article 22. Committees

22.1 Audit committee and remuneration committee

In accordance with Article 526bis, Section 3 and Article 526quater, Section 4 of the Belgian Companies Code, the Board of Directors performs all of the duties entrusted to the audit committee and remuneration committee, respectively, on the understanding that the Board of Directors will establish an audit committee or remuneration

committee from among its ranks as soon as the Company no longer complies with the criteria included in Article 526bis, Section 3 or Article 526quater, Section 4 of the Belgian Companies Code.

22.2 Executive committee or management committee

The Board of Directors may establish an executive committee (under the provisions of Article 524bis of the Belgian Companies Code) or a management committee, consisting of several people who may but do not need to be directors. The Board of Directors determines the working procedures of the committee, the conditions for the appointment of its members, their dismissal, their remuneration and the term of their mandates.

Article 524bis in conjunction with Article 520ter, paragraphs 1 and 2 of the Belgian Companies Code are declared inapplicable. By way of derogation from Article 524bis in conjunction with Article 520ter, paragraph 1 of the Belgian Companies Code, shares may therefore be definitively acquired and share options or all other rights to acquire shares may be exercised in accordance with the issue conditions as determined, where applicable, by the general meeting or the Board of Directors or their issued representative(s). Furthermore, by way of derogation from Article 524bis in conjunction with Article 520ter, paragraph 2 of the Belgian Companies Code, the conditions on variable remuneration, including the applicable periods relating to this remuneration, are also determined by the Board of Directors (on the recommendation of or acting as the remuneration committee).

22.3 Other committees

By way of derogation from Article 22.1 and 22.2, the Board of Directors, in accordance with Article 522 of the Belgian Companies Code, may establish one or more advisory committees, from among its ranks and under its responsibility, such as a strategic committee or an appointments committee. The Board of Directors determines the composition and powers of these committees, with due observance of the applicable regulations.

CHAPTER IV – AUDITS

Article 23. Audit

The audit of the Company is entrusted to one or more Statutory Auditors who perform the duties assigned to them under the Belgian Companies Code (and accompanying implementation decrees) and the regulations applicable to regulated real estate companies.

A Statutory Auditor must be an auditor or company audit firm accredited by the FSMA.

CHAPTER V – GENERAL MEETING**Article 24. The general meeting**

The general meeting represents the general body of shareholders. General meeting resolutions are binding on all shareholders, even those who were absent or voted against them.

The general meeting is held at the registered office or at a venue in the municipality where the registered office is located, as indicated in the meeting notice.

The ordinary general meeting is held each year at 10 a.m. on the third Thursday of May or, if this day is a public holiday, at the same time on the next working day.

Article 25. Convocation

The Board of Directors and the Statutory Auditor may convene a general meeting (ordinary general meeting) as a special or extraordinary general meeting whenever this is required in the Company's interest. They must convene the ordinary general meeting on the day stipulated in the Articles of Association.

The Board of Directors and the Statutory Auditor are obliged to convene a special or extraordinary general meeting whenever one or more shareholders who individually or jointly represent one fifth of the issued capital request such a meeting. This request must be sent by registered letter to the Company's registered office and precisely describe the items over which the general meeting must deliberate and adopt resolutions. The request must be addressed to the Board of Directors and the Statutory Auditor, who are obliged to convene a meeting within three weeks of receipt of the request. Other items may be added to the agenda items provided for by the shareholders in the meeting notice.

The general meeting notice must specify at least the time, date and place, the agenda and the motions for adoption.

The general meeting notice must comply with the provisions of the Belgian Companies Code. Any shareholder, director or Statutory Auditor who participates in or arranges to be represented in the meeting is deemed to have received due notice. A shareholder, director or Statutory Auditor may also waive the right to invoke the lack of or irregularity of the meeting notice, either before or after a general meeting that they have failed to attend or at which they were not represented.

Article 26. Permission

Notwithstanding the obligations in the Belgian Companies Code, a shareholder may participate and exercise a voting right in the general meeting only if the following requirements are met:

(1) A shareholder may only participate in the general meeting and exercise the right to vote there based on the account registration of the shares in the name of the shareholder, on the registration date, either by entry in the share register in the Company's name or by entry in the accounts of a recognised account holder or a settlement institution, regardless of the number of shares that the shareholder holds on the date of the general meeting. Midnight on the fourteenth day before the general meeting serves as the registration date.

(2) The owners of dematerialised shares wishing to participate in the meeting must submit a certificate that has been issued by a recognised account holder or a settlement institution, showing how many dematerialised shares are registered in their accounts in the name of the shareholder on the registration date, in respect of which the shareholder has indicated the willingness to participate in the general meeting. This certificate must be submitted by no later than the sixth day before the date of the general meeting to the registered office or the institutions specified in the meeting notice.

The owners of registered shares wishing to participate in the meeting must notify the Company of their intention to do so by ordinary letter, fax or e-mail, no later than the sixth day before the date of the meeting.

(3) The Board of Directors will keep a record for each shareholder that has given notice of their intention to participate in the general meeting, including the shareholder's name and address or registered office, the number of shares that the shareholder held on the registration date and with which the shareholder has indicated they wish to participate in the general meeting, as well as a description of the documents that show the shareholder held the shares on that registration date.

Article 27. Representation

Any shareholder may give a proxy in order to be represented at the general meeting, in accordance with the relevant provisions of the Belgian Companies Code. The proxy holder may not be a shareholder.

A shareholder of the Company may designate only one person as a proxy holder for a specific general meeting. Exceptions may be made in this regard only in accordance with the relevant rules of the Belgian Companies Code.

A person who acts as proxy holder may hold a proxy from more than one shareholder. If a proxy holder holds proxies from several shareholders, they may vote differently on behalf of different shareholders.

The designation of a proxy holder by a shareholder must be done in writing or via an electronic form and must be signed by the shareholder, where applicable with an advanced electronic signature within the meaning of Article 4, Section 4 of the Belgian Law of 9 July 2001 establishing certain rules for electronic signatures and certification services, or with an electronic signature that complies with the conditions of Article 1322 of the Belgian Civil Code.

Notice of the proxy must be given in writing to the Company. This notice can also be given electronically, to the address specified in the meeting notice.

The Company must receive the proxy by no later than the sixth day before the date of the meeting.

Notwithstanding the possibility to deviate from the instructions under certain circumstances, in accordance with Article 549(2) of the Belgian Companies Code, the proxy holder must cast their vote in accordance with any instructions of the shareholder who designated them. The proxy holder must keep record of the voting instructions for at least one year and confirm that they have complied with these instructions on request of the shareholder.

If there is a potential conflict of interests between the shareholder and the designated proxy holder, as referred to in Article 547bis, Section 4 of the Belgian Companies Code, the proxy holder must disclose the precise facts that are relevant for the shareholder to assess whether there is any risk that the proxy holder will pursue an interest other than that of the shareholder. The proxy holder may moreover vote on behalf of the shareholder only if they have specific voting instructions for every item on the agenda.

Minors, persons who are declared incompetent and legal entities must be represented by their legal representatives or representatives under their Articles of Association.

Article 28. Chair and meeting committee

Each general meeting is chaired by the chairperson of the Board of Directors or, in their absence, by the oldest director in attendance. The chairperson may designate a secretary and vote teller, who does not have to be a shareholder. One person may perform these two functions. The chairperson, secretary and vote teller jointly constitute the meeting committee.

Article 29. Course of the meeting - placing items on the agenda - postponements

29.1 Deliberations and voting are led by the chairperson in accordance with the normal rules of proper meeting skills. Directors must answer

questions posed by shareholders, during the meeting or in writing, in relation to their report or the agenda items, insofar as disclosing details or facts would not be of such a nature as to adversely affect the commercial interests of the Company and or to breach the confidentiality that the Company or its directors have undertaken to uphold.

The Statutory Auditor(s) must answer questions posed by shareholders, during the meeting or in writing, in relation to their report, insofar as disclosing details or facts would not be of such a nature as to adversely affect the commercial interests of the Company and or breach the confidentiality that the Company, its directors or the Statutory Auditor(s) have undertaken to uphold. They are entitled to address the general meeting in connection with the performance of their duties.

If different questions are asked about the same topic, the Board of Directors and the Statutory Auditors may give one answer. As soon as the meeting notice is published, the shareholders may ask the above questions in writing, in accordance with the relevant provisions of the Belgian Companies Code.

29.2 The Board of Directors is entitled, during the session of an ordinary general meeting, to postpone the decision on the approval of the annual financial statements for five weeks. This postponement does not affect other resolutions that have been adopted, except a different general meeting resolution in this regard. The next meeting is then entitled to definitively adopt the annual financial statements.

The Board of Directors is also entitled to postpone any other general meeting, or any other agenda item of the ordinary general meeting, during the session for a period of five weeks, unless this meeting was convened at the request of one or more shareholders who represent at least one fifth of the capital or by the Statutory Auditor(s).

29.3 The general meeting may validly deliberate or adopt resolutions only in respect of items that are specified or implicitly included in the announced agenda. Deliberating on items that are not included in the agenda is possible only in a meeting in which all shares are present and provided that any resolutions in this regard are adopted unanimously. The required consent is established if no objection is noted in the minutes of the meeting. In addition to the items for discussion, the agenda must include the motions for adoption.

Notwithstanding the above, one or more shareholders who jointly hold at least 3% of the issued capital, and provided the relevant provisions of the Belgian Companies Code are complied with, may have items placed on the agenda of the general meeting for discussion and submit motions for adoption in relation to the items already on or to be included for discussion in the agenda, by no later than the

twenty-second day before the date of the general meeting. This does not apply if a general meeting is convened for a second time because the required quorum was not achieved the first time, provided that the first meeting notice complied with the statutory provisions, the date of the second meeting was specified in the first meeting notice, and no new items have been placed on the agenda. The Company must receive these requests by no later than the twenty-second day before the date of the general meeting.

Notice of the items for discussion and accompanying motions for adoption that are appended to the agenda, where applicable, will be given in accordance with the provisions of the Belgian Companies Code. If a proxy was already communicated to the Company before this notice of a supplemented agenda, the proxy holder must observe the relevant provisions of the Belgian Companies Code.

The items for discussion and motions for adoption that are placed on the agenda in accordance with the previous paragraph will be discussed only if all the relevant provisions of the Belgian Companies Code have been observed.

Article 30. Voting right

Each share confers the right to one vote. Shareholders without the right to vote, warrant holders and bond holders are entitled to attend the general meeting in an advisory capacity. In the cases listed in Article 481 of the Belgian Companies Code, shareholders without the right to vote have a normal right to vote.

Shares are indivisible in relation to the Company. If one share belongs to different people, or if the rights attached to a share are divided among several people, the Board of Directors may suspend the attached rights from being exercised until one person has been designated as the shareholder in relation to the Company. If a share is encumbered by an usufruct, the voting right attached to that share will be exercised by the usufructuary, unless joint notice to the contrary is given by the bare owner and the usufructuary to the Company.

Article 31. Decision making

Unless there are statutory provisions or provisions of the Articles of Association to the contrary, resolutions are adopted by an ordinary majority of the votes cast. Abstentions, void and invalid votes are not counted as votes cast. If the votes are tied, the motion is rejected.

Voting will be by a show of hands or roll call, unless the general meeting decides otherwise by an ordinary majority of the votes cast. The extraordinary general meeting must be held in the presence of a civil-law notary who draws up a legally valid record of the proceedings.

The general meeting may deliberate and adopt a resolution for an

amendment to the Articles of Association in a legally valid manner only if those who participate in the meeting represent at least half of the company's capital. If the specified quorum is not reached, a new meeting must be convened in accordance with Article 558 of the Belgian Companies Code; the second meeting shall deliberate and resolve validly, regardless of the part of the capital present or represented. An amendment to the Articles of Association is moreover accepted only if it has been pre-approved by FSMA and has been voted for by three quarters of the votes attached to the present or represented shares (or any other special majority prescribed by the Belgian Companies Code had been achieved).

Article 32. Records

Minutes must be drawn up of every general meeting. The minutes of the general meeting are signed by the members of the meeting committee and the shareholders who request to sign them.

These minutes are kept in a special register. Proxies must be attached to the minutes of the meeting for which they have been given.

Copies that need to be produced in court or elsewhere are signed by two directors or a managing director.

Article 33. Financial year - annual financial statements - annual report

The financial year of the Company starts on the first of January and ends on the thirty-first of December of each year.

At the end of each financial year, the books and records are closed and the Board of Directors must draw up the inventory and the annual financial statements, and act further in accordance with the rules of Article 92, Section 1, paragraph 1 of the Belgian Companies Code and the regulations applicable to regulated real estate companies.

The Board of Directors must also draw up an Annual Report in which it accounts for its policy. This Annual Report also contains a corporate governance declaration, which forms a specific part of the report.

This corporate governance declaration also contains the remuneration report, which forms a specific part of the declaration.

As soon as a meeting notice is published, shareholders may examine the annual financial statements and the other documents referred to in the Belgian Companies Code.

The general meeting listens to the Annual Report and the report of the Statutory Auditor(s) and decides by an ordinary majority on the approval of the annual financial statements. After the approval of the annual financial statements, the general meeting decides, by a separate

vote, on the discharge of the directors and Statutory Auditor(s) from liability.

The separate and consolidated annual financial statements of the Company must be filed with the National Bank of Belgium in accordance with the relevant statutory provisions.

The annual and half-yearly financial reports, the annual and half-yearly financial statements, the report of the Statutory Auditor(s) and the Articles of Association of the Company can also be obtained from the registered office and consulted, by way of information, on the Company's website.

Article 34. Profit appropriation

On a motion by the Board of Directors, the general meeting adopts a resolution by an ordinary majority of votes on the appropriation of the net result, in accordance with Article 13 of the Royal Decree on Regulated Real Estate Companies.

Article 35. Dividends

Dividends are paid on the date and at the place determined by the Board of Directors.

The Board of Directors is issued to pay an interim dividend on the result for the financial year. This distribution may only be made in relation to the profit of the current financial year, where applicable less the loss carried over or plus the profit carried over, without any withdrawal from the reserves that are or must be created by law or under the Articles of Association.

It must act further in accordance with the provisions of Article 618 of the Belgian Companies Code.

Article 36. General meeting of bond holders

The Board of Directors and the Statutory Auditor(s) of the Company may give any bond holders notice to attend a general meeting of bond holders, which will have the powers as set out in Article 568 of the Belgian Companies Code.

They must convene the general meeting whenever bond holders who represent one fifth of the securities in circulation request such a meeting.

The meeting notice must contain the agenda and be drawn up in accordance with Article 570 of the Belgian Companies Code. In order to be admitted to the general meeting of bond holders, bond holders must comply with the formalities set out in Article 571 of the Belgian

Companies Code, as well as any formalities provided for in the issue rules of the bonds or in the meeting notice.

The general meeting of bond holders will proceed in accordance with the provisions of Articles 572-580 of the Belgian Companies Code.

CHAPTER VI – DISSOLUTION – LIQUIDATION

Article 37. Appointment and powers of liquidators

If the Company is dissolved, for whatever reason and at whatever time, the liquidation will be attended to by liquidators who are appointed by the general meeting, in accordance with the provisions of the Belgian Companies Code. In the absence of such an appointment, the Board of Directors, acting in the capacity of a liquidation committee, will attend to the liquidation.

Insofar as required by law, the liquidators will take office only after the competent Commercial Court has confirmed their appointment under the general meeting resolution.

Unless decided otherwise, the liquidators act jointly. To this end, the liquidators have the most extensive powers in accordance with Articles 186 et seq. of the Belgian Companies Code, subject to any restrictions imposed by the general meeting. The general meeting determines the liquidators' fee.

Article 38. Dissolution - Diversification

After the payment of all debts, expenses and liquidation costs, the net assets will be used firstly to refund the paid-up value of the shares, in cash or in kind. Any surplus will be distributed among the shareholders in proportion to their rights.

CHAPTER VII – GENERAL PROVISIONS

Article 39. Choice of domicile

Directors and liquidators, whose domicile is unknown, are deemed to have chosen their domicile at the Company's registered office, where all summonses, services and notices can be effected with regard to the Company's affairs.

Article 40. Jurisdiction

Unless the Company expressly waives their jurisdiction, the courts of the district where the Company has its registered office will have sole jurisdiction to hear all disputes between the Company, its directors, its

security holders and liquidators concerning the affairs of the Company and the implementation of these Articles of Association.

Article 41. Common law

The parties declare that they will act fully in accordance with the Belgian Companies Code and the regulations applicable to regulated real estate companies (as amended from time to time).

Accordingly, any provisions of these Articles of Association that would unlawfully deviate from the provisions of the above legislation are deemed not to be included in this deed, and any clauses that would be contrary to the mandatory provisions of this legislation are deemed to be unwritten.

It is specifically mentioned that Articles 111, 439, 448, 477 and 616 of the Belgian Companies Code are not applicable.






13

Glossary

A

Aloxe NV	Aloxe NV, a public limited company under Belgian law, with registered office at Mechelsesteenweg 34, Box 101, 2018 Antwerp, entered in the Crossroads Bank for Enterprises under enterprise number 0849.479.874 (Antwerp Register of Legal Entities, Antwerp section).
APM	Alternative Performance Measures. In accordance with the guidelines issued by the European Securities and Market Authority (ESMA) on 3 July 2016, Xior's Alternative Performance Measures (APMs) will be included in the Annual Report. The definitions of the APMs and the use and reconciliation tables are included in Chapter 10.8 of this Annual Report. A separate Glossary will be posted on the Company website on these APMs for future reference. The APMs are marked with  .
Average interest rate (APM)	Interest charges including IRS interest expense divided by the average outstanding debt during the period.
Average financing costs (APM)	Interest costs including IRS interest expense + arrangement fees and commitment fees, divided by the average outstanding debt during the period.

B

Belgian Companies Code	Belgian Companies Code of 7 May 1999, as published in the Belgian Official Journal of 6 August 1999, and amended from time to time.
Belgian Law of 1 April 2007	The Belgian Law of 1 April 2007 on public takeover bids, as published in the Belgian Official Journal of 26 April 2007, and amended from time to time.
Belgian Law of 2 May 2007	The Belgian Law of 2 May 2007 on the disclosure of significant holdings in issuers whose shares are admitted to trading on a regulated market and which contains various provisions, as published in the Belgian Official Journal of 12 June 2007, and amended from time to time.

C

CEO	<i>Chief Executive Officer.</i>
CFO	<i>Chief Financial Officer.</i>
CIO	<i>Chief Investment Officer.</i>

D

Debt ratio	The debt ratio as referred to in Article 13, Section 1 of the Royal Decree on Regulated Real Estate Companies.
Distributable earnings per share	The profit as referred to in Article 13, Section 1 of the Royal Decree on Regulated Real Estate Companies.

E

EPRA Cost Ratio (excl. vacancy costs) (APM)	EPRA costs (excluding vacancy costs) divided by the gross rental income less the rent still to be paid on rented land.
EPRA Cost Ratio (incl. vacancy costs) (APM)	EPRA costs (including vacancy costs) divided by the gross rental income less the rent still to be paid on rented land.
EPRA earnings (APM)	Net result +/- variations in the fair value of investment property +/- other portfolio result +/- income from the sale of investment property +/- variations in the fair value of financial assets and liabilities.
EPRA earnings per share (APM)	Net result +/- income from the sale of investment property +/- variations in the fair value of investment property +/- other portfolio result +/- variations in the fair value of financial assets and liabilities, divided by the average number of shares.
EPRA triple net asset value (NNNAV) (APM)	EPRA NAV adjusted to take into account the fair value of (i) the assets and liabilities, (ii) the debts and (iii) the deferred tax.
Estimated Rental Value ('ERV')	This is the total rental value of the portfolio on an annual basis applied by the Valuation Expert in the appraisal reports.
Euronext Brussels	The regulated market of Euronext Brussels where the Company shares are traded.

F

Fair Value	This value is the investment value as determined by an independent valuation expert, minus the transaction fees. The Fair Value corresponds to the carrying amount under IFRS. From the seller's perspective this must be understood as subject to the deduction of transfer taxes or registration duties. The estimated amount of transfer taxes for properties located in Belgium was fixed at 2.5% for investment property with a value in excess of EUR 2.5 million ⁴⁴ . This Fair Value is therefore calculated by dividing the value including the transaction fees by 1.025. Properties valued at less than the EUR 2.5 million threshold and foreign companies are subject to normal registration duty. Their fair value therefore corresponds with the value that includes the transaction fees payable by the purchaser.
FSMA	Belgian Financial Services and Markets Authority.

G

Governance Code 2009	The Belgian corporate governance code for listed companies of 2009, drawn up by the Corporate Governance Committee, and available on the following website: http://www.corporategovernancecommittee.be/library/documents/final%20code/CorporateGovNLCODE2009.pdf .
Group	Xior and its subsidiaries, from time to time.

⁴⁴ See the Belgian Assets Managers Association (BEAMA) press release of 8 February 2006 on closed-end property investment companies and the first application of the IFRS accounting rules and the BE-REIT press release of 10 November 2016.

I	
IASB	<i>International Accounting Standards Board.</i>
IFRIC	<i>International Financial Reporting Interpretations Committee.</i>
IFRS	<i>International Financial Reporting Standards, de boekhoudkundige standaard volgens dewelke geregementeerde vastgoedvennootschappen verplicht zijn te rapporteren, op basis van artikel 11 van het GVV-KB.</i>
Investment value or value including the transaction costs	This value equals the amount at which a building could be exchanged between well-informed parties, consenting and acting under normal competitive conditions, including any registration duties (10% in the Flemish Region and 12.5% in the Walloon Region and Brussels Capital Region), notarial charges and VAT (when a purchase is subject to VAT).
IPO	The capital increase of the Company by cash contribution through a public offering of new shares, and the admission to listing of the Xior shares on the regulated Euronext Brussels market, completed on 11 December 2015.
IRS	Interest rate swap
L	
Law on Regulated Real Estate Companies	The Belgian Law of 12 May 2014 on regulated real estate companies, as published in the Belgian Official Journal of 30 June 2014 and as amended from time to time.
Legislation on Regulated Real Estate Companies	The Law on Regulated Real Estate Companies and the Royal Decree on Regulated Real Estate Companies.
N	
Net assets per share (EPRA) (APM)	Equity excluding the fair value of the permitted hedging instruments divided by the number of shares
Net assets per share (IFRS)	Equity divided by the number of shares
Net result excluding IFRIC 21 impact (APM)	Net result proportionally adjusted for property tax and taxes on second homes
Net result per share	Net result divided by the average number of shares.
O	
Occupancy rate	This is the ratio of the Rental Income to the Total Rent.

P

Portfolio result (APM)	Result from the sale of investment property +/- variations in the fair value of investment property +/- other portfolio results.
PwC	The professional partnership incorporated in the form of a cooperative society with limited liability, PriceWaterhouseCoopers Bedrijfsrevisoren BCVBA, with registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, entered in the Crossroads Bank for Enterprises under enterprise number VAT BE 0429.501.944 (Brussels Register of Legal Entities).
Public RREC or PRREC	Public regulated real estate company/companies (also referred to as a Belgian Real Estate Investment Trust or BE-REIT).

R

Registration Document	This 2019 Annual Report of Xior filed as a Universal Registration Document (URD) with the FSMA, as the competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of the Regulation (EU) 2017/1129.
Regulated real estate company	A company that the FSMA has entered on the list of regulated real estate companies under Belgian law and which is accordingly recognised as a regulated real estate company and is governed by the Law on Regulated Real Estate Companies of 12 May 2014 and the Royal Decree on Regulated Real Estate Companies of 13 July 2014, as amended from time to time.
Rental income	The arithmetical sum of the rental income invoiced by the Company based on the concluded tenancy agreement over the period of a financial year, or part thereof.
Royal Decree on Regulated Real Estate Companies	The Royal Decree of 13 July 2014 on regulated real estate companies, as published in the Belgian Official Journal of 16 July 2014 and as amended from time to time.
Royal Decree of 14 November 2007	The Royal Decree of 14 November 2007 on the obligations of issuers of assets and liabilities that are admitted to trading on a regulated market, as published in the Belgian Official Journal of 3 December 2007, and amended from time to time.
RREC	Regulated real estate company/companies.

T

Total Rent	The Total Rent the Company would bill under its tenancy agreements, if 100% of the property portfolio were to be let, based on its asking price at year end, including assets under construction if applicable and estimated annual rental income for hostel activities.
Trading regulations	The trading regulations of the Company, as included as a schedule to the Corporate Governance Charter.

V

Valuation experts	The Company's Valuation Experts (formerly 'property experts') appointed in accordance with Article 24 of the Law on Regulated Real Estate Companies at the time of this Annual Report are Stadim and Cushman & Wakefield.
Value with costs payable by the purchaser or Net market value	The investment value less the registration duties and notarial charges or VAT.

X

Xior Student Housing or Xior or the Company	Xior Student Housing NV, a public limited company under Belgian law, licensed as a public regulated real estate company (RREC) under Belgian law, with registered office at Mechelsesteenweg 34, Box 108, 2018 Antwerp (Belgium), entered in the Crossroads Bank for Enterprises under enterprise number 0547.972.794 (Antwerp Register of Legal Entities, Antwerp section).
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A stylized map of Europe is shown in a light gray tone against a white background. Numerous red graduation caps are placed across the map, primarily concentrated in Western and Central Europe, including the British Isles, France, Germany, Poland, and Scandinavia. A solid red diagonal band runs from the top right corner towards the bottom left. In the bottom left corner, the text 'INTERNATIONAAL STUDENT BOARD' is written in a bold, sans-serif font, with a short red horizontal line positioned directly below it.

INTERNATIONAAL STUDENT BOARD



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Identity card

Name	Xior Student Housing NV
	
Status	Public regulated real estate company (RREC) under Belgian law
Registered office	Mechelsesteenweg 34, Box 108, 2018 Antwerp
Tel.	+32 3 257 04 89
E-mail	info@xior.be
Website	www.xior.be
Register of Legal Entities	Antwerp, Antwerp section
VAT	BE 0547.972.794
Enterprise number:	0547.972.794
Date of incorporation:	10 maart 2014
Licence as RREC:	24 november 2015
Financial year-end	31 december
General meeting:	Third Thursday in May (10 a.m.)
Listing:	Euronext Brussels – continuous market
ISIN code:	BE0974288202 (XIOR)
Statutory auditor:	PwC Bedrijfsrevisoren BCBVA, Woluwe Garden, Woluwedal 18, 1322 Sint-Stevens-Woluwe, represented by Damien Walgrave
Financial services:	ING Belgium
Valuation experts:	Stadim, Cushman & Wakefield and CBRE

Xior Student Housing NV
Public limited liability company
Belgian public regulated real estate company
Mechelsesteenweg 34 box 108, 2018 Antwerp (Belgium)

Enterprise number 0547.972.794
RLE Antwerp, Antwerp department

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