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**XIOR**  
STUDENT HOUSING

**HALF-YEARLY  
FINANCIAL REPORT**

*Dit halfjaarverslag is ook beschikbaar in het Nederlands.*

The half-yearly financial report was translated into English under the responsibility of Xior Student Housing NV. Only the Dutch version of the half-yearly financial report has evidential value. Both versions are available on the Company website ([www.xior.be](http://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 5.8 of this Half-Yearly Report*. The APMs are marked with  and are accompanied by a definition, an objective and reconciliation as required under the ESMA guidelines.

The EPRA (European Public Real Estate Association) 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, please consult [www.epra.com](http://www.epra.com).



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# 01

Consolidated key figures  
as 30 june 2020

The first half of 2020 starts on 1 January 2020 and ends on 30 June 2020.

The results of the first half year are as follows:

- EPRA earnings <sup>↗</sup> of EUR 0.74 per share<sup>1</sup> – EUR 0.80 per share after IFRIC 21 adjustment  
EPRA earnings <sup>↗</sup> of EUR 0.73 per share<sup>1</sup> – EUR 0.78 per share after IFRIC 21 adjustment – share of the group
- EPRA earnings <sup>↗</sup> of KEUR 14,258 – KEUR 15,401 after IFRIC 21 adjustment  
EPRA earnings <sup>↗</sup> of KEUR 13,995 – KEUR 15,138 after IFRIC 21 adjustment – share of the group
- EPRA NAV <sup>↗</sup> per share of EUR 35.52 as compared to EUR 35.96 as at 31 December 2019  
IFRS NAV <sup>↗</sup> per share of EUR 31.47 as compared to EUR 32.71 as at 31 December 2019  
IFRS NAV <sup>↗</sup> per share of EUR 30.54 as compared to EUR 31.90 as at 31 December 2019 – share of the group
- Net rental result of KEUR 27,293 for H1 2020
- Net result (IFRS) for H1 2020 of KEUR -9,079
- Debt ratio of 53.12% as compared to 45.67% as at 31 December 2019
- Occupancy rate of 98.04% as compared to 98.08% at H1 2019
- The property portfolio has risen to EUR 1,367 million, which is equivalent to an increase of 15% as compared to 31 December 2019. If all acquisitions and redevelopments in the committed pipeline are completed, the portfolio will increase to approximately EUR 1,800 million with nearly 15,000 lettable student units.

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<sup>1</sup> Figures per share are calculated on the basis of the weighted average number of shares, unless stated otherwise.

Figures are in thousand EUR.

<b>Consolidated income statement</b>	<b>30/06/2020</b>	<b>30/06/2019</b>
Net rental result	27,293	20,896
Property result	26,834	20,441
Operating result before result on the portfolio	18,945	15,135
Financial result (excl. variations in the fair value of financial assets and liabilities)	-4,018	-3,087
EPRA earnings <sup>1</sup>	14,258	10,530
EPRA earnings after IFRIC 21 adjustment <sup>1</sup>	15,401	11,380
EPRA earning – share of the group <sup>1</sup>	13,995	10,530
EPRA earnings – share of the group – after IFRIC 21 adjustment <sup>1</sup>	15,138	11,380
Result on the portfolio (IAS 40) <sup>1</sup>	-14,375	3,025
Revaluation of financial instruments (ineffective interest rate hedges)	-8,477	-10,744
Share in the result of joint ventures	-479	101
Deferred taxes	261	-611
Net result (IFRS)	-9,079	2,301

<b>Number of lettable student units</b>	<b>30/06/2020</b>	<b>30/06/2019</b>
Student units	8,991	5,795

Figures are in thousand EUR.

<b>Consolidated balance sheet</b>	<b>30/06/2020</b>	<b>31/12/2019</b>
Equity	607,201	625,808
Equity – share of the group	589,201	610,428
Fair Value of the investment property <sup>2</sup>	1,367,082	1,190,791
Debt ratio (Law on Regulated Real Estate Companies) <sup>3</sup>	53.12%	45.67%

<sup>2</sup> 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 (Public RREC) Association press release dated 10 November 2016. The Fair Value corresponds to the carrying amount under IFRS.

<sup>3</sup> Calculated in accordance with the Royal Decree of 13 July 2014 pursuant to the Act of 12 May 2014 on Regulated Real Estate Companies.

Figures are in thousand EUR.

Key figures per share	30/06/2020	30/06/2019
Number of shares	19,295,291	14,349,847
Weighted average number of shares <sup>4</sup>	19,295,291	13,961,809
EPRA earnings per share (based on the weighted average number of shares) 	0.74	0.75
EPRA earnings – after IFRIC 21 adjustment	0.80	0.82
EPRA earnings per share – share of the group	0.73	0.75
EPRA earnings per share after IFRIC 21 adjustment – share of the group	0.78	0.82
Result on the portfolio (IAS 40) (based on the weighted average number of shares) 	-0.74	0.22
Revaluation of financial assets and liabilities (based on the weighted average number of shares)	-0.44	-0.77
Net result per share (IFRS) (based on the weighted average number of shares)	-0.47	0.16
Closing price of the share	47.65	45.80
Net asset value per share (IFRS) (based on the number of outstanding shares)	31.47	29.44
Net asset value per share (IFRS) (based on the number of outstanding shares) - share of the group	30.54	29.44

In accordance with the guidelines issued by the European Securities and Market Authority (ESMA) on 3 July 2016, the Alternative Performance Measures (APMs) used by Xior will be included in this Half-Yearly Report. The definitions of the APMs, the reconciliation tables and the goal are included in *Chapter 5.8 of this Half-Yearly Report*. The APMs are marked with a .

<sup>4</sup> Shares are counted from the time of issue.





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02

## Interim management report

## 2.1

# NOTES TO THE CONSOLIDATED RESULTS FOR THE FIRST HALF OF 2020

The net rental result amounts to KEUR 27,293 in the first half of 2020 as compared to KEUR 20,896 in the first half of 2019. This is a 31% increase. This net rental result will continue to increase further in 2020, as certain buildings are currently being constructed or converted will only start generating rental income from September or October 2020 and some were acquired very recently and will, therefore, contribute to the result only fully in the second half of the year.

This mainly relates to the following properties:

- Lutherse Burgwal, The Hague: conversion has almost been completed; rental income will increase gradually in the course of Q3 and Q4 2020;
- Katzensprung, Vaals: Xior acquired the building mid-June 2020; rental income as from 19 June 2020;
- Amro Granada, Granada: the building was completed mid-June, rental income from 18 June 2020.
- U.Hub Benfica: the building will be completed during the summer and will generate rental income from September onwards;
- U.Hub Saõ Jo o: the building will be completed during the summer and will generate rental income from September onwards.

There is also the hostel in Ghent, which is currently being converted into Roxi Gent and which will be delivered in the course of Q4 and will generate rent again.

The average occupancy rate of the property portfolio was 98.04% for the first half of 2020, as compared to 98.08% for the first half of 2019.

The property result is KEUR 26,834 as at 30 June 2020 (KEUR 20,441 as at 30 June 2019) and the property operating result is KEUR 22,076 (KEUR 16,843 as at 30 June 2019). The property charges (KEUR 4,758) mainly include costs related to maintenance and repair, insurance, property management, valuation expert expenses and other property charges. The latter charges are property taxes and taxes on Dutch property that cannot be charged through to the tenants.

As a result of the application of the accountancy rule 'IFRIC 21 Levies' (implemented as from the financial year of 2015), the figures as at 30 June 2020 include a provision for the entire year of 2020 with regard to property tax, taxes on Dutch property, taxes on second homes and the so-called 'subscription tax' ('abonnementstaks'). This has a substantial negative impact on the result for the first half of 2020, as these costs were entered entirely in the first quarter rather than spread across all quarters. The effect of this accounting treatment will be reduced as the financial year unfolds. If these costs were spread and one quarter of the costs would be entered in each quarter, the result for the first half of 2020 would increase by KEUR 1,143. Were that the case, the EPRA earnings would be  $\rightarrow$  KEUR 15,401.

The general costs are KEUR 3,155 as compared to KEUR 1,733 as at 30 June 2019. The increase is mainly due to an increase in the 'subscription tax' as a result of the capital increase of 2019 and an increase in personnel costs due to the recruitment of additional staff at HQ and advisory costs (lawyers, tax advisers, compliance) in the different countries.

Pursuant to Article 6 of the Act on Regulated Real Estate Companies, Stubis, a wholly-owned subsidiary of Xior Student Housing NV, provides limited real estate services to third parties. The fee received for the management of investment property owned by third parties is KEUR 24.

The portfolio result for the first half of the year is KEUR -14,375 (KEUR 3,025 as at 30 June 2019). New properties were acquired in the first half of 2020 through share acquisitions. On the other hand, a final purchase price settlement was made for certain historical acquisitions, the impact of which was also booked in other portfolio result.

The properties were acquired at a fiduciary value (the acquisition value agreed between the parties), which was different from the Fair Value.

- 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' in 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 variation in Fair Value between 1 January 2020 and 30 June 2020 was entered under 'negative or positive variations, in investment property'. There was a negative net investment property change (KEUR 2,362).

The financial result is KEUR -12,495 (KEUR -13,832 as at 30 June 2019). This result mainly concerns interest on loans (KEUR 2,107), IRS costs (KEUR 1,293), bank charges and other commissions (KEUR 575). The increased property portfolio resulted in an increase in the net interest charges. These charges also include the negative market value of the hedging instruments (KEUR -8,477). The market value of these hedging instruments is entered directly in the income statement. The average financing cost is 1.99% for the first half of 2020 (1.97% as at 30 June 2019).

The result before taxes was KEUR -8,664. Corporate taxes are KEUR 669. These are mainly taxes on the result of the permanent establishment in the Netherlands, the Dutch subsidiaries and the taxes on the Spanish subsidiaries. KEUR 261 in provisions for deferred taxes were reversed.

The net result is KEUR -9,079 (KEUR 2,301 as of 30/06/2019) and reflects the EPRA earnings as well as the negative impact of the variation in the Fair Value of the property portfolio of KEUR 2,362, the result of the first consolidation difference on the acquisitions of H1 (KEUR -12,273), the negative impact of the Fair Value of financial assets and liabilities of KEUR 8,477, the share in the result of joint ventures (KEUR -479) and the positive impact of the deferred taxes with regard to IAS adjustments of KEUR 261 as of 30 June 2020.

The EPRA earnings are KEUR 14,258 (KEUR 10,530 as at 30/06/2019). The calculation of the EPRA earnings per share is based on the weighted average number of shares (based on the respective dividend entitlement) as at 30 June 2020, which was 19,295,291.

Figures are in thousand EUR.

	<b>30/06/2020</b>	<b>Per share</b>	<b>30/06/2019</b>
EPRA earnings	14,258	0.74	10,530
EPRA earnings – after IFRIC 21 adjustment	15,401	0.80	11,388
EPRA earnings – share of the group	13,995	0.73	10,530
EPRA earnings – after for IFRIC 21 adjustment – share of the group	15,138	0.78	11,388

## 2.1.1 CONSOLIDATED BALANCE SHEET

As at 30 June 2020, the portfolio consisted of 8,991 lettable student units. This resulted in a valuation of the property portfolio of KEUR 1,367,082 as at 30 June 2020, which represented a 15% increase of KEUR 176,291 since 31 December 2019 (KEUR 1,190,791). This increase is mainly due to the acquisition of Boschdijk Veste in Eindhoven, Project PXL in Hasselt, Amro Granada in Granada and the acquisition of XL Fund with its subsidiaries. For the rest, the Lutherse Burgwal in The Hague was further renovated and the hostel in Ghent is being converted into Roxi Ghent.

For a detailed description of the acquisitions, please refer to *Chapter 2.3.1 of this Half-Yearly Report*.

If all acquisitions and projects currently in the committed pipeline are completed, this increase will continue and result in a property portfolio of approx. EUR 1,800 million, with nearly 15,000 lettable student units.

As at 30 June 2020, the portfolio consisted of 112 properties (incl. committed pipeline) with 14,896 student units, of which 6,069 units or 40% were still under construction or to be converted into student units. The properties to be converted into student units will start contributing to the rental income from 2020/2023. Some of these properties are currently generating rental income as offices.

The current assets are KEUR 41,991 and have risen by KEUR 21,046 since 31 December 2019. This increase is mainly due to a temporary increase in the cash position (KEUR 18,335).

They primarily include:

- Trade receivables still to be collected (KEUR 1,392): mainly rents still to be received. This amount includes a receivable on one of our retail tenants (non-core). This tenant has applied for WCO. As of 30 June 2020, no provision was set up for this receivable, as we are currently in negotiations with the tenant regarding the payment of the receivable;
- Other receivables: this mainly concerns the Promgranko shareholder loan (KEUR 4,295), an advance on an acquisition (KEUR 6,000) and an advance payment to a supplier;
- Tax receivables (KEUR 2,226): this mainly concerns advance payments for Dutch corporate taxes and VAT to recover;
- Bank account balances (KEUR 18,335).

KEUR 3,562 in accruals and deferred charges are mainly real estate costs to be deferred (KEUR 1,000), accrued rental income (KEUR 475) and general costs to be deferred (KEUR 370 KEUR).

The group equity was KEUR 589,201 as at 30 June 2020 (KEUR 610,428 as at 31 December 2019).

The net asset value per share (EPRA NAV) decreased by 1.2 % to EUR 35.52 as at 30 June 2020 as compared to EUR 35.96 as at 31 December 2019.

The long-term obligations have increased by KEUR 212,184 since 31 December 2019. As a result of the acquisitions in the first half of the year, existing and new credit lines were drawn on and the debt ratio increased from 45.67% as at 31 December 2019 to 53.12% as at 30 June 2020.

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 in 2019 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.

The current liabilities are KEUR 76,152. This is an increase of KEUR 7,467 since 31 December 2019. This is mainly due to an increase in trade debts. The trade debts concern invoices for current construction work that were not yet payable as at 30 June 2020. The Company follows up outstanding debts very closely in order to keep the Company's debt ratio under control.

The current liabilities mainly consist of short-term loans (part of the loan from Stratos KV NV - KEUR 424 and the loan from I Love Vols BV - KEUR 688), outstanding supplier debts (KEUR 8,194), advances received from tenants (KEUR 2,253), VAT, tax and social security debts (KEUR 2,912), guarantees received from tenants (KEUR 5,344), transfer taxes and building lease payments still to be paid (KEUR 1,760), price still to be paid in respect of the remaining shares of the joint ventures (KEUR 46,807) and accruals and deferred payments for KEUR 4,791. The accruals and deferred payments are mainly rental income to be deferred (KEUR 819), accrued real estate costs (KEUR 1,434), accrued interest (KEUR 1,781) and accrued general expenses (KEUR 605).

## 2.1.2 COMPOSITION OF DEBTS

Xior group had drawn down KEUR 690,432 in long-term debt as at 30 June 2020. This amount is made up of credit lines with ING Belgium NV (EUR 136 million), Belfius Bank NV (EUR 146 million), KBC Bank NV (EUR 80 million), BNP Paribas Fortis (EUR 100 million), Argenta Spaarbank NV (EUR 70 million), Caisse d'Epargne/Natixis (EUR 150 million), ABN Amro (EUR 35 million), Banque de Luxembourg (EUR 25 million), vdk bank (EUR 10 million) and Bank Nagelmackers (EUR 10 million), Pensio B green loan (EUR 10 million) and USPP Green Bond Loan (EUR 100 million). The part of the credit lines that has not been drawn down was KEUR 178,000. There are no loans that will mature within 12 months. As a result of the acquisition of the company Stratos KV NV, the group took over a loan that requires periodic repayments. KEUR 850 in capital must be repaid in the coming 12 months. As a result of the acquisition of XL Fund with subsidiaries, long-term loans of KEUR 38,261 were taken over. KEUR 688 in capital must be repaid in the coming 6 months. Xior had EUR 871 million in credit lines as at 30 June 2020.

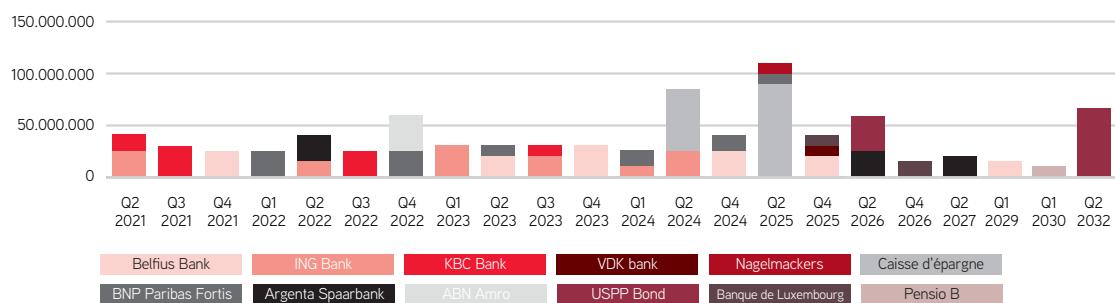
The most important covenants the Company must respect under these financing agreements are compliance with a debt ratio of less than 60% (calculated according to the Royal Decree on Regulated Real Estate Companies), an interest coverage ratio greater than 2.5 and hedging of at least 70% of the financing debts. The ICR was 3.45 for H1 2020.

On 30 June 2020, 66% of the credit lines drawn were covered by Interest Rate Swaps and a further 22% by fixed-interest loans. The average maturity of IRSs and fixed-income loans was 7.39 years as at 30 June 2020.

The total hedging market value was negative (KEUR -25,953), which is KEUR 10,486 less than the market value as at 31 December 2019. This decrease in value has a negative effect (KEUR -8,477) on the net result as at 30 June 2020. Upon the acquisition of XL Fund, an IRS contract was included, the value of which was negative. This negative value is included in the balance position per 30 June 2020, however the impact was not booked via the result, but was part of the opening balance sheet upon acquisition.

As at 30 June 2020, the average maturity of the committed loans was 4.45 years (4.08 years as at 31 December 2019). The company has always concluded financing contracts with a minimum maturity of 3 years. For a breakdown of debts according to maturity, please refer to *Chapter 5.9.8 of this Half-Yearly Report*.

Maturity of the loans (June 2020)



The loan that was taken over at the time of the acquisition of Stratos KVK NV requires a quarterly repayment of approximately KEUR 220 up to and including Q2 2031. The loan that was taken over from I Love Vols B.V. entails a half-yearly repayment of approximately KEUR 688 up to and including Q1 2029 and a bullet repayment for the remainder of the loan in Q1 2029. This was not included in the graph above, as it would render the graph unreadable.

## 2.2

# DATA ACCORDING TO THE EPRA REFERENCE SYSTEM<sup>5</sup>

### 2.2.1 EPRA KEY PERFORMANCE INDICATORS

These details are 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 to the accounting information included in the consolidated financial statements.

	<b>Definition</b>	<b>in KEUR</b>	<b>EUR per share</b>
<b>EPRA earnings</b>	Underlying result derived from the strategic operating activities.	14,258	0.74
<b>EPRA NAV</b>	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.	685,376	35.52
<b>EPRA NNNAV</b>	EPRA net asset value (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.	607,201	31.47
<b>%</b>			
<b>EPRA cost ratio (including vacancy costs)</b>	EPRA costs (including vacancy costs) divided by the gross rental income.	29.5% <sup>6</sup>	
<b>EPRA cost ratio (excl. vacancy costs)</b>	EPRA costs (excluding vacancy costs) divided by the gross rental income.	28.3% <sup>7</sup>	

<sup>5</sup> Financial performance indicator calculated in accordance with the EPRA (European Public Real Estate Association) Best Practice Recommendations. See also [www.epra.com](http://www.epra.com).

<sup>6</sup> The EPRA cost ratio (including vacancy costs) after IFRIC 21 adjustment is 25.4%.

<sup>7</sup> The EPRA cost ratio (excluding vacancy costs) after IFRIC 21 adjustment is 24.1%.

<b>EPRA earnings per share</b>	<b>30/06/2020</b>	<b>30/06/2019</b>
Net result	-9,079	2,301
Variations in the fair value of the investment property	2,362	-4,462
Other portfolio result	12,273	1,437
Result from the sale of investment properties	0	0
Variations in the fair value of financial assets and liabilities	8,956	10,644
Deferred taxes with regard to IAS 40 adjustments	-254	611
Weighted average number of shares	19,295,291	13,961,809
<b>EPRA earnings per share</b>	<b>0.74</b>	<b>0.75</b>
<b>EPRA earnings per share – share of the group</b>	<b>0.73</b>	<b>0.75</b>
IFRIC 21 impact	1,143	858
<b>EPRA earnings per share after IFRIC 21 adjustment</b>	<b>0.80</b>	<b>0.82</b>
<b>EPRA earnings per share after IFRIC 21 adjustment – share of the group</b>	<b>0.78</b>	<b>0.82</b>

<b>EPRA NAV</b>	<b>30/06/2020</b>	<b>31/12/2019</b>
Net asset value according to the financial statements	607,201	625,808
To be excluded:		
Fair Value of financial assets and liabilities	25,953	15,467
Deferred taxes	52,222	46,813
<b>EPRA NAV</b>	<b>685,376</b>	<b>688,088</b>
<b>EPRA NAV – share of the group</b>	<b>667,376</b>	<b>672,707</b>
<b>EPRA NAV (EUR/share)</b>	<b>35.52</b>	<b>35.96</b>
<b>EPRA NAV – share of the group (EUR/share)</b>	<b>34.59</b>	<b>35.16</b>

<b>EPRA NNNAV</b>	<b>30/06/2020</b>	<b>31/12/2019</b>
EPRA NAV	685,376	688,088
To be added:		
Fair Value of financial assets and liabilities	-25,953	-15,467
Deferred taxes	-52,222	-46,813
<b>EPRA NNNAV</b>	<b>607,201</b>	<b>625,808</b>
<b>EPRA NNNAV (EUR per share)</b>	<b>31.47</b>	<b>32.71</b>
<b>EPRA NNNAV – share of the group</b>	<b>589,201</b>	<b>610,427</b>
<b>EPRA NAV – share of the group (EUR/share)</b>	<b>30.54</b>	<b>31.90</b>

<b>EPRA cost ratio</b>	<b>30/06/2019</b>	<b>30/06/2018</b>
General expenses	3,155	1,733
Impairments of trade receivables	205	14
Property charges	4,758	3,598
EPRA costs (incl. vacancy costs)	8,118	5,345
Vacancy costs	347	199
EPRA costs (excl. vacancy costs)	7,771	5,146
Gross rental income	27,499	20,910
<b>EPRA cost ratio (incl. vacancy costs)</b>	<b>29.5%</b>	<b>25.6%</b>
<b>EPRA cost ratio (excl. vacancy costs)</b>	<b>28.3%</b>	<b>24.6%</b>
IFRIC 21 impact	1,143	858
<b>EPRA cost ratio (incl. vacancy costs) after IFRIC 21 adjustment</b>	<b>25.4%</b>	<b>21.5%</b>
<b>EPRA cost ratio (excl. vacancy costs) after IFRIC 21 adjustment</b>	<b>24.1%</b>	<b>20.5%</b>

## 2.3

# TRANSACTIONS AND ACHIEVEMENTS

## 2.3.1 TRANSACTIONS AND ACHIEVEMENTS DURING THE FIRST HALF OF 2020

### 2.3.1.1 General

After the growth achieved in 2019, Xior continued to work on further growth of its property portfolio in the first half year of 2020. During the implementation of its growth strategy, Xior strives 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 increasing the earnings per share. Xior was able to achieve another contribution in kind in June 2020. If all acquisitions and redevelopments in the committed pipeline were completed, the portfolio would increase to approx. EUR 1,800 million with nearly 15,000 units.

As always, the Board of Directors and management also focused continuously on the operational and financial management.

### 2.3.1.2 Acquisitions in the first half of the year<sup>8</sup>

Xior completed several acquisitions during the first half of the year. The most important aspects of these acquisitions were announced at the time and are again provided below.

#### Launch of 'XL Fund': a collaboration between Xior (90%) and Life (10%)

On 18 June 2020, Xior announced the launch of 'XL Fund': a collaboration between Xior and property developer LIFE (with a 90% Xior – 10% LIFE distribution). From the start, the XL Fund will comprise a substantial portfolio consisting of 6 different student residences and projects at various locations in Belgium and the Netherlands. These projects have all been developed or are still under development by LIFE, for a total expected investment value of around EUR 155 million with an average expected gross yield of 5.83%. In one fell swoop, Xior is taking an important step in the further roll-out of its growth plan and significantly strengthening its position in its historic domestic market. The XL Fund also provides a platform for further potential collaboration between the two parties to further expand the portfolio in Belgium and the Netherlands.

Xior has an option on the remaining 10% of the shares of XL Fund (2.481 KEUR).

#### Katzensprung – Vaals (The Netherlands)

This existing and already operational student residence is located close to the three-border point of the Netherlands, Belgium and Germany and grew out of the University of Aachen's demand for more student housing, as well as the desire of the city of Vaals to provide a solution to the existing scarcity. This location, aimed at students at the German University of Aachen but located just across the border in the Netherlands, offers students the advantage of being able to make use of the Dutch rent subsidy system, which explains the popularity of this destination. This modern residence (completed in 2017) has 461 student rooms and is located on Sneeuwberglaan in Vaals, the Netherlands. It is the ideal place



<sup>8</sup> The investment values are in line with the estimates of the independent property expert.

for students to live on a green site, with all the advantages of a nearby city. The residence offers students various facilities including study and relaxation areas, laundry facilities and parking.

This project is held in full ownership by the project company being taken over (which also includes the local operational team). The expected investment value amounts to EUR 38,500,000, with an expected gross yield of 6.17%. This residence has had a very high occupancy rate since being opened, further supported by a rent guarantee from LIFE for 18 months from the transfer calculated at an occupancy rate of 98%.

#### **Prince – Antwerp (Belgium)**

The second project to be contributed to the XL Fund concerns the redevelopment of the old student residence Ten Prinsenhove in Antwerp. The project will be completed at the end of 2020 or beginning of 2021, on the basis of a long lease of 50 years, allowing it to be partially rented out for the next academic year. The Prince project is located in the heart of the student district in Antwerp and, with its 12 floors, towers far above all the surrounding buildings. The residence has 156 units and features all modern facilities including a 360° sky bar, gym, laundry facilities, living room, communal kitchens, yoga room, meeting and study room, and a roof terrace. Students, as well as guest professors, summer school students, PhD students and others, will be welcome here over the coming years. The redevelopment of this Antwerp landmark, centrally located on the UAntwerp city campus, can be seen as one of the last opportunities to realise new student housing in the centre of Antwerp. In addition to having its headquarters in Antwerp, Xior has been active on the Antwerp student rental market for many years, with other residences and a well-oiled local rental and management organisation, allowing immediate economies of scale to be realised.



The expected investment value amounts to EUR 18,750,000, with an expected gross yield of 5.24%. LIFE has provided a rent guarantee from September 2021 for a period of 5 years based on an average occupancy rate of 98%.

#### **ARC – Liège (Belgium)**

ARC is part of a former university site located between the centre of Liège and the Sart-Tilman campus of the University of Liège, which is currently in full transition to a dynamic site encompassing living, education and leisure. This development involves 232 loft-style units aimed at students and young professionals, supplemented by no less than 2,000 m<sup>2</sup> of communal areas, including a living room, reading and study room, game and cinema room, gym and yoga room, spa with steam bath, laundry room and a sky lounge with roof terrace. The solar panels, heat pumps, balanced ventilation system and smart building technology make this residence a good example of a fully sustainable building.



This project is held in full ownership by the project company being taken over. The expected investment value amounts to EUR 29,950,000, with an expected gross yield of 5.47%. Completion of the entire project is expected in late 2020 or early 2021. LIFE will

provide a partial rental guarantee during the ramp-up period of 2 years from April 2021, during which LIFE will support the XL Fund with the start-up of the commercialisation.

This top project in the lively student city of Liège reaffirms Xior's desire to expand in Wallonia and will even surpass the previously announced project in Namur as the first operational Xior building south of the language border.

#### **Felix – Antwerp (Belgium)**

Surrounded by the parks of Wilrijk in a green oasis between Groenenborger Campus and Middelheim Park, this site currently serves as a Theology campus and has about 120 social student rooms. The existing buildings, developed by brutalist Paul Felix, are protected and will be thoroughly renovated. Additional student accommodation will also be created, bringing the total number of rooms to 203. In addition, investments will be made in a large common outdoor space and central meeting place in order to achieve the desired campus feeling and create an integrated community. This unique site will provide a seamless connection with the Groenenborger Campus of University of Antwerp and will provide a solution to the ever growing demand for student housing in Wilrijk.

This development will take place on the basis of a long-term lease of 50 years. The expected investment value amounts



to EUR 17,440,000, with an expected gross yield of 5.81% and an additional earn-out if additional units could be realised on this site. LIFE will rent the existing social student units from XL Fund on a triple net basis for a period of 12 months. Completion of the entire project is expected in 2022.

#### **3 Eiken campus (Wilrijk)**

This is a purchase option for a project located at 3 Eiken campus in Wilrijk. As soon as the permit and administrative processing have been completed, the project will be taken over and the development of this brand-new residence will commence. The project is in an ideal location, fully in line with Xior's strategy and will host 387 students after completion.

The expected investment value amounts to EUR 33,805,000, with an expected gross yield of 5.70% and an additional earn-out if additional units could be realised on this site. Completion of the entire project is expected in 2022.

With these three new projects in Antwerp, Prince, Felix and 3 Eiken, the total number of student units operated under the Xior flag in Antwerp reaches 1,000 units.

### Ariënsplein – Enschede (Netherlands)

Connect-U/Ariënsplein in Enschede (the Netherlands) is an excellent location for Xior, close to the city centre and public transport. Moreover, the presence of the Saxion educational institute (which considers this site to be strategic) makes the site an ideal base for students and their accommodation.

On 12 March 2018, Xior signed an agreement for the acquisition of a student complex consisting of 271 student rooms (and two teaching rooms rented out to Saxion University), in the former hospital located at Ariënsplein. This student complex formed part of an old hospital site that was redeveloped by LIFE in various phases into a new city campus. Following this purchase in the first phase, XL Fund is now acquiring the remaining building elements of this development project and the entire 55,000 m<sup>2</sup> site will be reunited in one hand in full ownership, which can considerably facilitate the development process. These remaining parts include redevelopment of classrooms, additional residential units (young professionals), incubators, offices, co-working and support functions. Together with LIFE, over the next few months the strategic part for XL Fund (student accommodation, classrooms and starter residences, etc.) will be demarcated within this entire site and non-strategic parts will be prepared for redevelopment and sale.

The acquisition of the strategic part will, after completion of the sale of the non-strategic parts, have an expected initial yield of approximately 6.28% for an expected investment value of approximately EUR 16,000,000. The margin realised on the sale of the non-strategic parts will be shared 50/50 between XL Fund and LIFE. The completion dates and specific details regarding the redevelopment have yet to be determined.



### Capital increase and issue of new shares

Part of LIFE's claim on Xior resulting from the transaction was contributed in exchange for 162,162 new Xior shares for a total amount of EUR 7,499,992.50.

<sup>9</sup> See press release from 12 March 2018.

### **Acquisition of development project in Hasselt**

On 18 May 2020, Xior acquired a development project on a prime site with a total of at least 157 units (final number to be determined after finalisation of the current permit process) at a prime location in Hasselt. This new-build student tower block with at least 10 floors is in a strategic location in Hasselt, on the campus of the PXL University of Applied Sciences and Arts. Once the permit obtained and on completion of the proposed development, this project will have a total investment value of approximately EUR 17 million and an expected initial return of approximately 6.0%. The completion and commissioning are planned for mid-November 2020, thereby adding a completely new and sustainable complex to Xior's portfolio in an exceptional location in a vibrant student city.

### **Acquisition of a student complex in Granada**

On 28 February 2020, Xior signed an agreement, subject to conditions precedent, on the acquisition of a new student residence located in Granada (Andalusia). The former 'colegio mayor', previously known as Loyola and strategically located on the University of Granada's Cartuja campus, was redeveloped and expanded to a residence with 347 units (354 beds). Completion and commissioning took place in June 2020, meaning that a brand-new complex was added to Xior's portfolio in one of the largest student cities 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 approximately 7%. This acquisition contributes to Xior's results from 18 June 2020, the date on which the acquisition was effectively completed.

### **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 is expected to have an 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 converted into a student residence equipped with all modern comforts. It is expected to consist of 250 individual student rooms, various common areas, an enclosed garden, parking for bicycles, and more. The building is currently let as an office, and will continue to generate income during the period expected to be required to obtain the necessary permits. 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.

### **Conclusion of additional financing contracts**

#### **Issuance of a green bond private placement of eur 100 million**

On 9 April 2020, Xior successfully completed its first debt capital market transaction by signing the contractual documentation for an issuance of EUR 100 million to Green Bonds via a US private placement. The bonds were placed through a US private placement with three institutional investors belonging to a large international insurance group. The bonds represent a nominal amount of EUR 100 million, divided into a EUR 34 million 6-year instalment and a EUR 66 million 12-year instalment, with a coupon of 1.92% (for 6-year bonds) and 2.32% (for 12-year bonds). The bonds were issued under Xior's new Green Finance Framework, dated 13 March 2020, for which Xior received a positive Second Party Opinion from Sustainalytics annual general meeting.

A new financing agreement (Green Loan) was concluded in the course of Q1 2020 with Pensio B for the sum of MEUR 10 and with a maturity of 10 years.

#### **Renewal of existing loans**

Two loans totalling EUR 30 million were due to mature at the end of December 2020. Negotiations were held with the two banks, ING and Belfius, and an agreement was reached to refinance the loans for a period of four years, until 30/06/2024 and 31/12/2025 respectively.

### 2.3.1.3 Annual meeting

The Annual General Meeting of Xior Student Housing NV took place on 22 May 2020. The Annual Accounts for 2019 were approved at the Annual General Meeting. The Annual General Meeting also approved the distribution of a dividend of EUR 1.30 gross or EUR 0.91 net<sup>10</sup> per share.

### 2.3.1.4 Operations

From the second half of the past six months, Xior's operational activities in the various countries were, of course, entirely devoted to managing and adapting to the COVID-19 crisis, on two fronts.

First of all, we focused on taking the necessary measures within our residences to ensure the safety, comfort and well-being of our entire #xiorfamily, both our employees and our tenants. There was an immediate (and seamless) switch to homeworking for the vast majority of employees at the height of the crisis, ensuring continuity of operations and continued services to our students while ensuring the health of our staff. In addition, in the various countries, all operations (from food supply to cleaning to repairs) were adapted to the circumstances and arranged in such a way that they could be offered on an ongoing basis and in complete safety. This allowed our students to stay safely in their Xior room. Of course, when relaxing the measures in the various countries, everything was organised (by means of face masks, hand gels, adapted communication, etc.) in such a way that those who had spent the crisis at home could return to take their exams in complete safety and with peace of mind.

Equally, rental activities for the coming academic year, which are typically set to start in stages in the second quarter, were also adapted to the situation first in the various student cities and towns in Belgium and then in the other countries in which Xior operates. Initially, the physical visits (which still make up a large part of the rental process, especially in Belgium) were replaced by "virtual tours" made and placed online by our rental teams, in compliance with the necessary security measures, and there were virtual "open house days". Once the measures were eased, a site visit was also scheduled and carried out for tenants who had thus found accommodation for the coming academic year, taking into account the necessary security measures, to ensure that everyone was satisfied with their booked Xior rooms. In the other countries, where rental takes place more online anyway, this card was drawn in full and, as in Belgium, renewal of rent contracts to existing Xior students was far ahead of a "normal" rental season.

This unpublished rental season once again convinced us of the enormous strength of our well-developed, professional organisation, which, thanks to its scale, knowledge of the local market and enthusiastic employees, was able to respond quickly and efficiently and adapt to ever changing circumstances. It also strengthens our conviction of the usefulness of using ESG values more than ever in the new normal, such as safe, sustainable and modern buildings, continuing to train our employees in new techniques, and constantly adapting and optimising our organisational structure in order to closely monitor and respond to all developments.

### 2.3.1.5 Interest rate hedges

The Company pursues a policy that hedges 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 agreement term or with hedging instruments, such as interest rate swaps and forward rate agreements. As at 30 June 2020, 66% of outstanding loans (with floating interest rate – 90%, taking into account fixed-interest loan contracts) are hedged by interest rate swap contracts. The Company's hedging policy will be regularly evaluated and adjusted when necessary (for example with regard to the instrument types, the hedging period, etc.).

We refer also to *Chapter 5.9.7 of this Half-Yearly Report* for the valuation of these hedging instruments on 30 June 2020.

<sup>10</sup> Assuming withholding tax at 30%.

## 2.3.2 TRANSACTIONS AND ACHIEVEMENTS AFTER THE FIRST HALF OF 2020

### 2.3.2.1 Xior wins tender 'BrinkToren' at prime location in Amsterdam

Xior has won a tender together with DubbeLL and Mecanoo and thereby acquired an option on a new development project in the Netherlands situated at a strategic location on the north side of the IJ waterfront in Amsterdam. The City of Amsterdam awarded the tender for the very last high-rise lot on Overhoeks to the Xior team, consisting of, besides Xior, DubbeLL-buurtontwikkelaars, Mecanoo Architecten, Merosch, Dakdokters, Pim Evers, WeDriveSolar, Van Rossum and Nelissen Ingenieurs, with their "BrinkToren" submission. The tower will become a true eyecatcher with its 28 floors (approximately 90 meters high) and will, on completion (expected by 2026) offer accommodation to approximately 400 new residents. The total net investment value of this development amounts to approximately EUR 61 million for Xior, with an expected initial yield in line with market yields.

## 2.3.3 COVID-19 UPDATE ("CORONA VIRUS CRISIS")

The accelerated spread of Covid-19 ("corona virus") has prompted governments to take measures to protect the health of citizens and slow down the spread of the virus. At Xior, too, the focus in the last few months was primarily on the health of its students, teams and all its stakeholders. Commercial staff try to stay in touch with the tenants via all technological channels (virtual tours, e-mails, "virtual open days") and to continue the rental operations. Xior currently estimates the risks and its position in this respect as follows:

- **Financing:** As of 30 June 2020, the debt ratio amounts to 53.12%, which leaves room for financing the capex with borrowed capital. In addition, Xior has sufficient committed credit lines to meet its capex obligations until mid-2021, partly thanks to the issuance of a US Green Bond for an amount of EUR 100 million (see above). Furthermore, an agreement was reached to extend the two loans maturing at the end of December 2020 for a total amount of EUR 30 million to 30/6/2024 and 31/12/2025 respectively. The next due date is therefore now Q2 2021. Xior maintains good relations with its existing lenders – the agreement on the refinancing and extension of the loans, due at the end of 2020, is a good example of this. Moreover, it also maintains the confidence of the broader credit market, which was underlined by the issuance of the bond in April 2020.
- **Rental results and costs:** in the different 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 discount on (service) costs. Xior will try to compensate for the loss of income through these measures by means of savings and cost efficiencies. A few weeks ago, the Flemish Parliament approved a resolution containing a package of support measures for students, on which a decision of the Flemish Government was published on 29 June 2020 instructing landlords to waive unpaid costs for water and energy for students who did not stay in their room at all during the months of April and May due to the Corona measures. However, this measure will take account of the discounts already granted. However, the allowances already granted by Xior to its tenants at the beginning of the crisis are considerably higher (both in terms of the total amount and the eligibility of all students, including those who stayed in their accommodation). Consequently, no substantial additional negative effect on the rental result is expected. In Flanders, Spain and Portugal the contracts have a fixed duration and cannot be terminated due to the Corona crisis. In the Netherlands, part of the lease contracts (depending on the type of contract and the term already expired) can be terminated subject to payment of a termination fee or respect of a notice period. However, due to the great scarcity in the Netherlands, this has no significant impact on vacancy rates. The loss of rent as a result of some (mainly foreign) tenants taking advantage of this possibility to terminate their contract, has enabled Xior to partly compensate with income from the universities with which it has agreements or through new leases. The great shortage of rooms in the Netherlands meant that these studios and rooms that would otherwise be intended for foreign students were quickly re-let to Dutch students.

- Collection of rents: Since the outbreak of the pandemic, the commercial teams have paid extra attention to collecting rents and, given the circumstances, continue to monitor this very closely. Defaulting tenants are all contacted in order to keep the dialogue with the tenants open and to find constructive solutions, taking into account the situation of the individual tenant. The established Xior-Covid fund, financed with voluntary contributions from the CEO, directors and executive management, can also be used to support vulnerable student tenants in each of the countries in which Xior operates. Rents for the month of April/May/June (where payments are made monthly), and for Q2 (where payments are made quarterly) were received for the most part and are fully in line with the same period last year. As a precaution, a number of provisions have already been set up for doubtful debtors.
- Operations: During the lockdown, our residences remained open and accessible at all times, subject to compliance with social distancing rules. At many locations the 'real' occupancy was lower since many students returned home. As a result of the easing of the Covid-19 measures and because many universities decided to take as many exams as possible physically on their own campus or at other assigned locations, many young people returned to their student rooms and the occupancy in many residences increased considerably. The necessary safety measures, such as disinfecting gel dispensers, mouth masks, clear signing and instructions, adapted circulation routes and extra cleaning were implemented to ensure that students could return in complete safety.

During the corona spike with its strict precautionary measures, physical visits were not allowed and the switch was made to virtual tours. Especially in Belgium, where the market is typically characterised by physical visits, there was a positive response and these digital tours proved to be a great success. At the moment, visits can be restarted physically again, subject to compliance with safety measures that are still in force from the government. In the four countries where Xior is active, the rentals for the coming academic year are on schedule and in some cities even better. Strikingly, the rental season also started earlier this year in several cities and higher retention rates than usual were observed. The demand from foreign students also remains high. For Erasmus students, who rather rent for a short period of time, the waiting lists are increasing as Xior initially prefers annual contracts for domestic and foreign students.

The great uncertainty that prevailed as to whether international mobility would be maintained and the influx of foreign students would get back on track, Xior can by trial and error disprove this. After all, the Woudenstein residence in Rotterdam was rented out at lightning speed; in just 3 hours all 259 rooms were rented out to first-year international students. During this short reservation period, even a peak of 2,700 potential tenants was registered. The same trend was observed in the Willem Dreeslaan residence in Utrecht, where the 84 rooms that were placed online were all rented out on that same day. The great scarcity and high room demand in the Netherlands continues to ensure that studios and rooms are easily re-rented to foreign and also to Dutch students.

Of course, at this moment it is not yet possible to fully estimate to what extent the corona crisis or a possible second wave will have an impact on the coming academic year, but several universities have already officially communicated that they want to maximize the education on campus in combination with digital lessons and advocate to give students back their campus life. The mix of online education and on-campus learning has also been reconfirmed in the dialogue between Xior's Country Managers and various educational institutions. The baseline is that not only practicums, working classes and interactive forms of teaching, but also regular classes will take place as much as possible on campus in compliance with safety guidelines and if necessary additional locations will be sought. Students also prefer this option, which is clearly reflected in the success of the rental season.

- Projects in progress: the reconversion of the project on Lutherse Burgwal is currently underway; U.hub Benfica and U.hub São João and PXL (Hasselt) are currently set to be completed in time for the next academic year. 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 to be reported.
- Valuation: The valuations as of 30 June 2020 do not show any significant changes in the fair value of the portfolio compared to the valuation as of 31 March 2020. It is mainly in the valuation of Spanish and Portuguese projects where there is a limited (negative) impact. C&W the Netherlands, C&W Portugal and CBRE mention in their valuation report per 30.06.2020 that a material valuation uncertainty exists due to Covid-19.

Although 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 composition 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. It is not possible today to estimate the potential implications for the implementation of the 2020-2022 business plan.

#### **Creation of Xior-Covid-19 fund**

Moreover, in view of the major impact of this crisis on students and their families, Xior, in its interim declaration of 31 March 2020, announced the creation of an internal solidarity fund to support the most vulnerable tenants who are losing the student jobs and normal employment income on which they rely to pay for their studies and housing. In the first place, this fund is financed by voluntary contributions from the CEO, executive management and directors of Xior.

The executive directors (CEO and CFO) and the non-executive directors have each agreed to cede 15% of their total annual remuneration to this fund from April until the end of this year. In addition, the other members of the management have indicated that they will also make a contribution.

The amounts raised in this way will be used to support individual cases of vulnerable student tenants in each of the countries in which Xior operates. For these students, investment in higher education is essential – as an engine for social mobility. In normal times, however, the cost of such training and the associated housing already constitutes a significant amount of the budget, which is often solved by student work or other forms of income. The corona virus crisis is hitting this type of income hardest, while such students often have the greatest need for decent housing, even during the crisis. The purpose of the newly created fund is to provide such students, on an individual basis, with financial support to alleviate the cost of student housing. The individual files will be introduced from the operational organisation and the distribution of funds will be determined by a committee led by members of the Xior management in order to make the assistance as efficient as possible. We are currently in the process of allocating the cases eligible for assistance from this fund.

## 2.4

# FORECAST FOR THE SECOND HALF OF 2020

### 2.4.1 GROWTH PROSPECTS FOR THE SECOND HALF OF THE FINANCIAL YEAR 2020

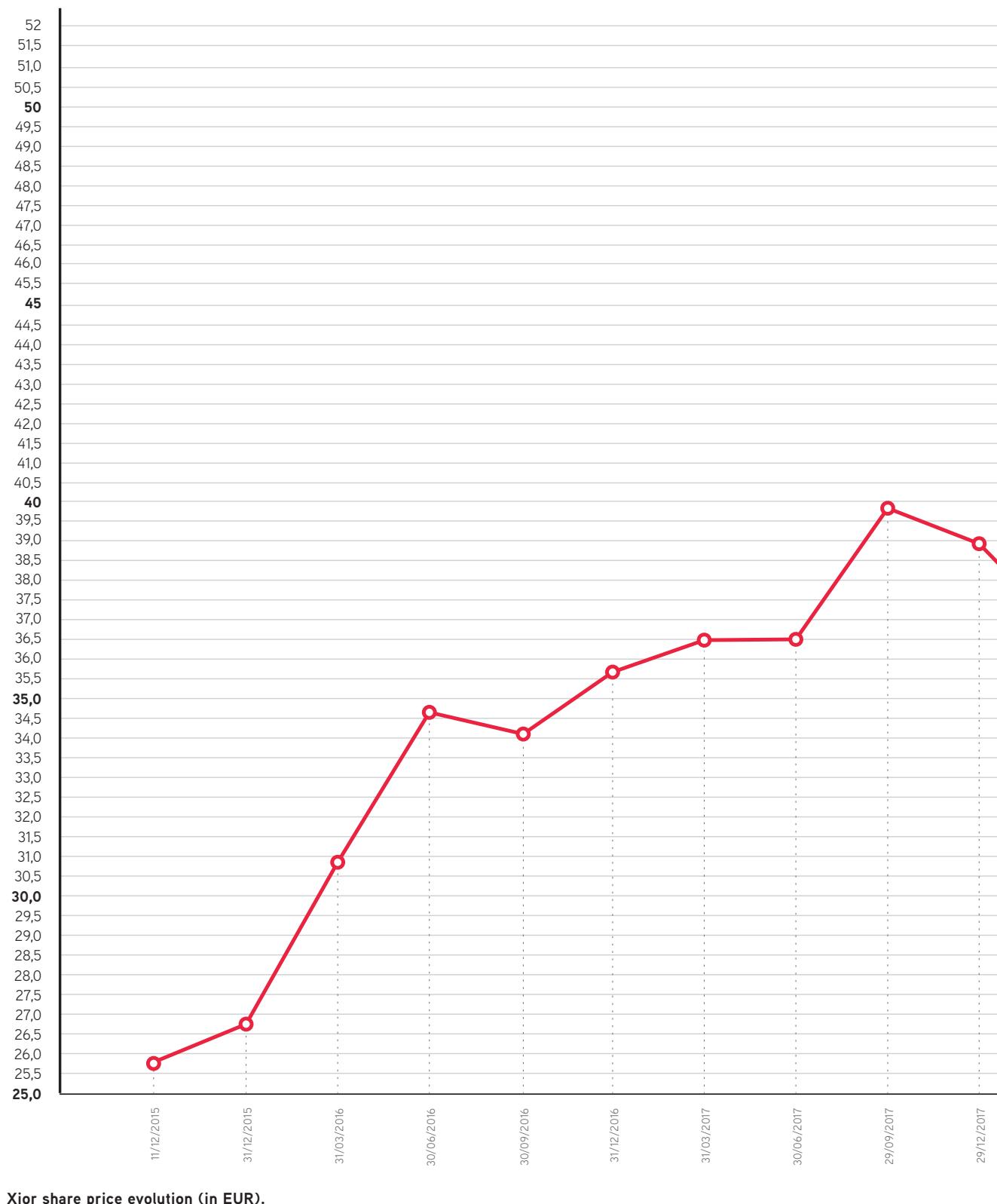
Xior has every intention of continuing to pursue its growth strategy in 2020 by adding qualitative student properties to its property portfolio and by completing the projects in its development pipeline. Although there is currently still uncertainty on the market, Xior remains convinced that several attractive growth opportunities will remain available in Belgium, the Netherlands and the Iberian peninsula and that interesting investment opportunities will present themselves for Xior in the second half of the year.

### 2.4.2 OUTLOOK

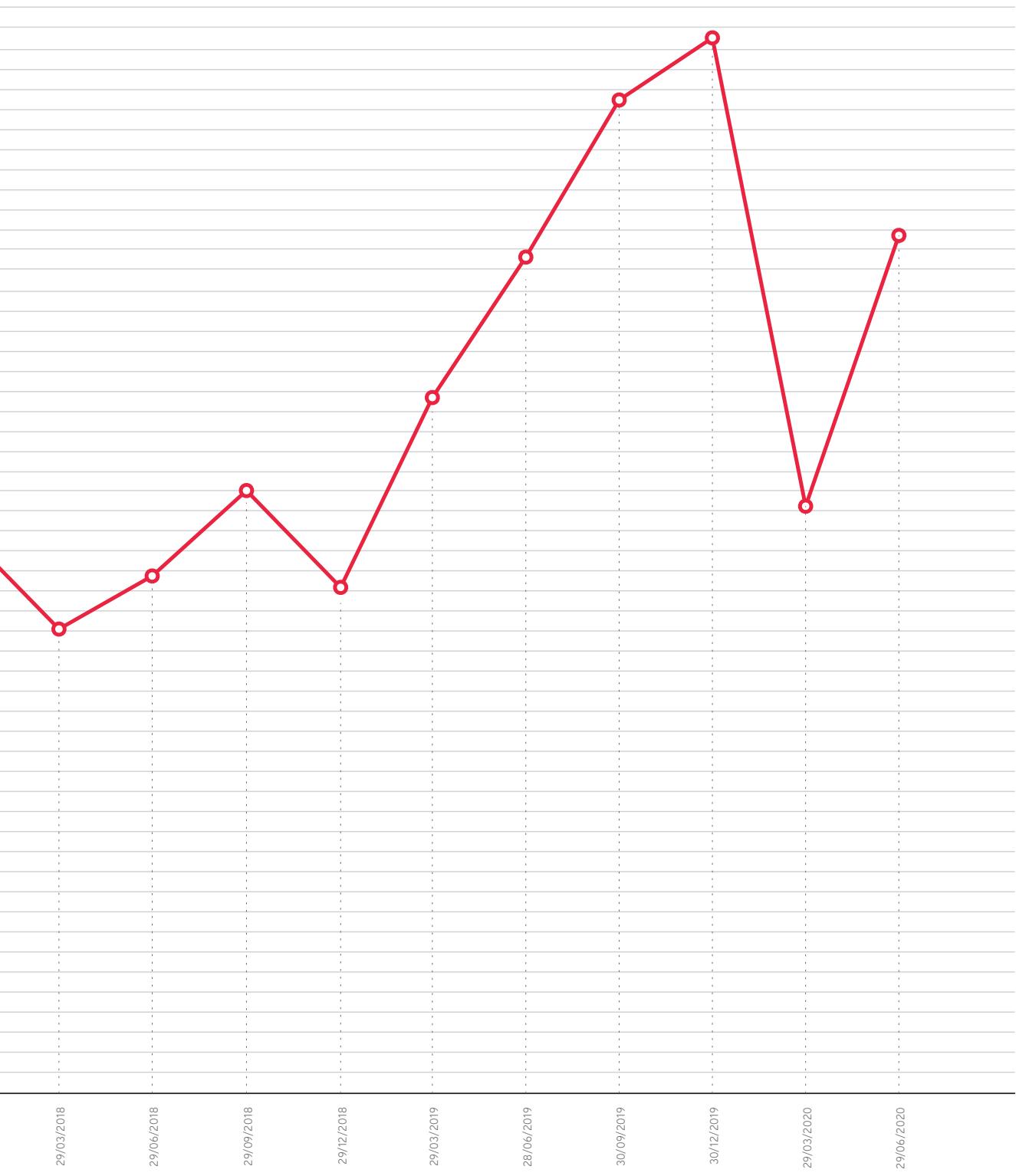
Based on the information available today, Xior does not expect any significant change in the projected EPRA earnings for 2020. For the 2020 financial year, the Company is still anticipating EPRA earnings per share of EUR 1.70, an increase of 6.25% as compared to 2019. It is also applying a target of EUR 1.36 for the gross dividend per share with a minimum payout of 80% (an increase of 4.6% as compared to 2019). This means that Xior is once again expecting an increase in its earnings per share as compared to the previous year, despite the fact that the number of shares has increased by 39% during 2019 following the successful capital increase in October 2019, and the contribution in kind in June 2019. 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. We also refer to the above-mentioned transactions and achievements of the first half of 2020 (see item 2.3 above) in this context.

Xior expects a debt ratio of between 50% and 55% at the end of 2020 as a result of the continued implementation of the growth strategy.

In 2020, Xior is expecting an occupancy rate similar to the current rate.



Xior share price evolution (in EUR).



# 2.5

## THE XIOR SHARE

### 2.5.1 THE SHARE ON EURONEXT BRUSSELS

The Xior share (ISIN code BE0974288202) has been listed on the regulated Euronext Brussels market since 11 December 2015. Xior is included in the Bel Mid index and is the first fully dedicated student housing REIT in continental Europe to be included in the EPRA index.

The closing price at the end of the first half of 2020 was EUR 47.65, which represents a premium of 51% as compared to the net value per share on 30 June 2020 (see also Royal Decree on Regulated Real Estate Companies), which was EUR 31.47 per share. Xior's market capitalisation on Euronext Brussels rose to approximately EUR 920 million in the first half of 2020.

	30/06/2020	31/12/2019	31/12/2018
<b>Number of issued shares</b>	<b>19,295,291</b>	<b>19.133.129</b>	<b>13.768.815</b>
<b>Weighted average number of shares<sup>1</sup></b>	<b>19,295,291</b>	<b>14.996.135</b>	<b>11.109.319</b>
<b>Market capitalisation (in EUR)</b>	<b>919,420,616</b>	<b>966.223.014</b>	<b>523.214.970</b>
<b>Free float</b>	<b>72.99%<sup>2</sup></b>	<b>74,43%</b>	<b>71,22%<sup>2</sup></b>
<b>Share price (closing price) for relevant period (in EUR)</b>			
Highest	61.30	53.30	41.00
Lowest	36.70	38	33.20
Average	47.50	45.60	37.71
At year-end closing	47.65	50.50	38.00
<b>Volume (in number of shares)</b>			
Number of shares traded	3,439,089	3,579,057	2,589,031
Average daily volume	27,294	14,307	10,193
<b>Share turnover</b>	<b>17.82%<sup>3</sup></b>	<b>23.87%<sup>3</sup></b>	<b>18.80%<sup>3</sup></b>

NAV (IFRS) (in EUR)	31.47	32.71	29.78
EPRA NAV (in EUR) <sup>1</sup>	35.52	35.96	31.45
Dividend payout ratio	NVT	81.25%	85.6%
EPRA earnings per share (in EUR) <sup>2</sup>	0.74	1.61	1.46
EPRA earnings per share (in EUR) – share of the group <sup>3</sup>	0.73	1.60	1.46

<sup>1</sup> Weighted average number of shares taking into account the dividend entitlements for the relevant shares.

<sup>2</sup> Approximate estimate taking into account the known percentages of shareholders who have issued a transparency notification (based on the current total number of shares (denominator)).

<sup>3</sup> Based on the weight average number of shares listed, which does not necessarily correspond to weighted average dividend-entitled shares.



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

## 2.5.2 SHAREHOLDERS

As at 30 June 2020, the authorised capital of Xior Student Housing NV was EUR 347,315,238.00, represented by 19,295,291 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.

	# shares	% shares
Aloxe NV – Mr C. Teunissen and Mr F. Snaauwaert	3,469,340	17.98% <sup>1</sup>
AXA Investment Managers S.A. <sup>2</sup>	1,743,019	9.11% <sup>3</sup>

<sup>1</sup> On the basis of the transparency notification as per 12 December 2018 and public information (including the denominator as per 18 June 2020 (19,295,291).

<sup>2</sup> AXA Investment Managers S.A. makes the transparency notification as controlling person for AXA Investment Managers Paris S.A., AXA Real Estate Investment Managers S.A. and AXA Real Estate Investment Managers SGP.

<sup>3</sup> On the basis of the transparency notification as per 3 April 2020.



Phoenixstraat  
**DELF**T

# 03

## Risks for the remaining months of 2020

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.

For the main risks and uncertainties for the remaining months of the 2020 financial year, please refer to the description of these risks and uncertainties on pages 12 to 30 inclusive of the Annual Financial Report 2019 (available on the Company website, [www.xior.be](http://www.xior.be)), which remains relevant for the remaining half of 2020. Furthermore, the evolution of Covid-19 is monitored further, for which reference is made to *Chapter 2.3.3 of this half-yearly report*.





Brusselsepoortstraat  
**GHENT**



04

## Property report

# 4.1

## PROPERTY REPORT

### 4.1.1 THE MARKET IN WHICH XIOR OPERATES

Xior expects that the market for student property will continue to grow in the coming years as a result of a worldwide growing student population, increasing international student mobility and further market professionalisation and consolidation. Due to the impact of COVID-19, a reduction in student mobility between continents can be expected in the short-term and, to a lesser extent, between European countries, but this will be short-lived. Higher education remains counter-cyclical and the demand for our product is stable. Student housing, as a niche sector within the property sector, has proven itself to be resilient over recent months, but, of course, not invulnerable.

#### Belgium and the Netherlands

In our domestic markets in Belgium and the Netherlands, a strong wave of development of new, large student complexes has pushed the market towards maturity. These countries have the advantage of multilingualism and will, therefore, remain a very attractive place for international students. Although the largest players, mainly in the Netherlands, are associations, cooperatives and social institutions, their offer is largely outdated. The private market has taken major steps and offers the quality that students look for today. Student housing is an integral part of both countries and Xior, as a private market leader, is able to offer a home away from home that guarantees quality, safety and collaboration with the universities.

#### Spain and Portugal

In Spain and Portugal, we are only at the start of this cycle. The development wave is continuing, but COVID-19 has clearly paused speculative developments. The existing student housing markets in Spain and Portugal are characterised as immature, fragmented and in a state of flux. The current range of student accommodation is largely insufficient and outdated, considering the numbers of international students and domestic students who are studying outside their own region.

#### Student housing evolution

The student property segment is also characterised by growing consolidation and professionalisation. The recent influx of large new student complexes is a conscious strategy of the cities and educational institutions, in partnership with major developers and institutional investors.

The increasing importance of this 'alternative' property segment also leads to further evolutions within this segment and new operational models and concepts are emerging. International and Erasmus students often have different demands from domestic students in terms of self-contained and furnished units, flexibility and length of stay. Students are spending more and more years in higher education and after their studies, more and more students stay in their student flat during their doctorate, specialisation programme or the first years of their professional career. Co-living, compact living and co-working have all been on the rise for some time now and are leading to hybrid and flexible concepts that allow an effortless blend of home life, private life, studying and/or working and a combination of long and short stays. Xior responds to this by allocating a small percentage of rooms to short stays and furnishing them as such in the residences, where possible.

Educational institutions also require a high-quality supply of student accommodation, better management and maintenance,

and affordable rents. More and more, they tend to enter into public-private partnerships with the professional property sector to increase and improve the supply in their cities and towns. The future lies with well-equipped and affordable student accommodation, under good management. Major professional players such as Xior, are taking advantage of this and universities are actively contacting us to complement their academic offer with the right housing offer.

The number of students in Belgium, the Netherlands, Spain and Portugal is expected to continue to grow over the next few years, despite a short-term impact. This is mainly due to further internationalisation, often driven by coordinated European or international exchange programmes, but also by the attractiveness of these countries: relatively low educational costs, high-quality universities, English-speaking courses (particularly in the Netherlands, who are at the forefront of Europe in this area), the general quality of life and a competitive labour market, which reinforce the attraction for international students. Large student cities and towns (the most popular universities attract the most international students) and the availability of high quality, reliable student housing is a crucial, decisive factor for foreign students.

### **COVID-19**

COVID-19 is impacting the market as a whole. The exact breakdown depends on the location of a residence and the quality of the operations. Not all residences will have the same occupancy rate as they would in normal conditions. It may, therefore, be assumed that the market will give priority to national students this year, in order to prevent cancellations as far as possible. Xior offers what a student needs to support "the new normal" for a student. New, clean, secure, fast internet and the feeling of being at home. After all, studying at a university is not just consuming theoretical knowledge from a distant location via Zoom, MS Teams or Skype; studying is the time when young adults have the opportunity to mature by developing their talents, satisfying their intellectual curiosity, making friends for life, learning to debate, communicating and, most importantly, standing on your own. Student housing is the product that allows a young adult to take these steps in a safe and high-quality environment. Xior sees the long-term outlook as positive.

## 4.2

# PROPERTY PORTFOLIO

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

### 4.2.1 PORTFOLIO SUMMARY

	<b>Rental income as at 30/6/2020 (in KEUR)</b>	<b>Units – rooms<sup>1</sup></b>	<b>Units – other<sup>1</sup></b>	<b>Fair value<sup>2</sup></b>
Belgium	6,881	2,522	156	300,623
The Netherlands	15,072	4,942	54	638,263
Portugal	-	98	0	6,540
Spain	3,493	1,080	1	162,145
Under construction – Belgium	-	798	0	81,942
Under construction – Portugal	-	1,009	16	71,311
To be developed – Spain	-	0	0	10,011
To be converted – Belgium	72	17	50	10,475
To be converted – Netherlands	1,981	1,364	5	194,821
<b>Total</b>	<b>27,499</b>	<b>11,830</b>	<b>282</b>	<b>1,476,131</b>

<sup>1</sup>The mentioned number of room units refers to the planned number of student units after the planning permission and conversion. The mentioned number of other units refers to the number of current car park spaces.

<sup>2</sup>The total Fair Value was KEUR 1,476,131 as at 30 June 2020, as estimated by the valuation expert. The consolidated balance sheet included investment properties for an amount of KEUR 1,367,082. 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 77,851); b) a number of properties are still under construction/renovation as of 30 June 2020; foreseeable construction costs were taken into account when determining the amount included in the consolidated balance sheet (KEUR 27,912); c) certain structural works will be carried out on a number of properties in the portfolio (renewal of lifts, update of installations, façade works, etc.), again for which the amount included in the consolidated balance sheet takes account of foreseeable costs (KEUR 3,286).

## 4.2.2 DESCRIPTION AND DIVERSITY OF THE PROPERTY PORTFOLIO

### 4.2.2.1 General description of the property portfolio

At 30 June 2020, the Company's property portfolio consisted of 107<sup>11</sup> properties. Of these, 53 properties were located in Belgium, 44 in the Netherlands, 5 in Spain and 5 in Portugal. These properties offer a total of 8,991 lettable student rooms and there are retail activities 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. As at 30 June 2020, the property portfolio had a total occupancy rate of 98.04%, not including the buildings that are under construction and are being converted.

The total Fair Value of the property portfolio as at 30 June 2020 was KEUR 1,367,082<sup>12</sup>. 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.

### 4.2.2.2 Breakdown in sub-portfolios

The following summary lists the property portfolio by sub-portfolio, country and city. Every sub-portfolio shows the Fair Value, rental income, purchase value and insured value.

The rental income is the annual rent based on the tenancy schedule tenancy schedule as at 31 December 2019<sup>13</sup>.

Figures are in thousand EUR.

		<b>Fair Value</b>	<b>Contracted rental income as at 31/12/2019<sup>13</sup></b>	<b>Insured value</b>	<b>Acquisition value</b>
<b>BE</b>	Antwerp	79,172	2,277	44,071	70,645
	Brussels	82,968	4,450	39,028	75,042
	Ghent	72,101	3,066	44,982	55,982
	Hasselt	18,017	0	13,600	18,017
	Leuven	108,878	5,360	34,324	100,046
	Liège	29,952	0	26,440	29,950
<b>ESP</b>	Mechelen	1,953	71	1,409	1,894
	Barcelona	41,391	2,095	20,340	43,515
	Granada	35,509	1,700	25,724	37,000
	Madrid	95,256	4,172	26,000	73,400

<sup>11</sup> Taking into account commitments, the number of properties was 112 on 30 June 2020.

<sup>12</sup> This is the Fair Value as included in the balance sheet of 30 June 2020. We refer to Chapter 4.2.1 for the reconciliation between the value included in the balance sheet and the valuation of the Valuation Expert.

<sup>13</sup> For properties acquired during 2020, the contracted rental income per 30 June 2020 is included.

<b>NL</b>	Amstelveen	65,365	700	42,295	62,924
	Amsterdam	128,350	5,922	50,748	113,880
	Breda	24,444	1,514	15,167	20,624
	Delft	45,903	2,511	19,289	39,131
	The Hague	53,085	1,507	31,612	42,252
	Eindhoven	33,810	1,081	14,699	42,400
	Enschede	42,117	1,933	22,722	39,183
	Groningen	55,796	3,147	33,589	50,275
	Leeuwarden	11,350	650	11,308	10,821
	Leiden	14,638	864	13,028	12,747
	Maastricht	143,659	7,533	114,033	136,519
	Rotterdam	73,627	2,777	27,203	69,463
	Tilburg	6,630	436	4,339	5,442
	Utrecht	57,431	2,623	26,596	48,348
	Vaals	40,788	2,261	25,447	38,500
	Venlo	21,521	1,256	13,120	18,825
	Wageningen	14,570	808	10,254	13,560
<b>PT</b>	Lisbon	31,817	538		32,500
	Porto	46,034	0		45,641
<b>TOTAL</b>		<b>1,476,131</b>	<b>61,252</b>	<b>751,363</b>	<b>1,340,976</b>

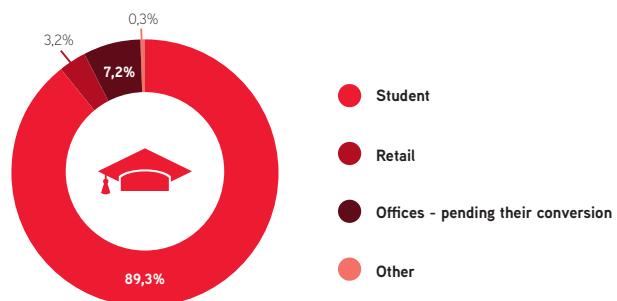
Xior Student Housing's property portfolio is insured for a total reconstruction value of EUR 751 million, which does not include the land on which the properties are built, compared to a Fair Value of EUR 1,367 million (including the land) as at 30 June 2020. This is 55% of the Fair Value.

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.

#### 4.2.2.3 Property portfolio type

The following graph shows the diversification of rental income for every type of property based on the rental income achieved for the respective properties in the property portfolio as at 30 June 2020.

*Rent - spread by type*

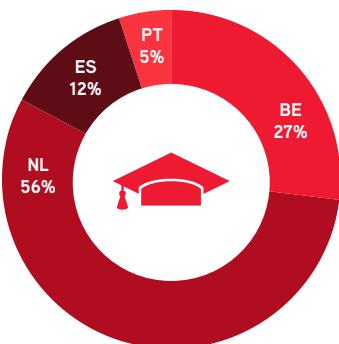


The above summary shows the strong focus on student property, which accounts for 89.3% of the total rental income. There is also temporary rental income from offices pending their conversion (7.2%). The portfolio also includes a limited number of retail spaces (3.2% of the rental income), which are mostly situated on the ground floor of properties that primarily serve as student accommodation. Two properties are used exclusively for retail purposes. As the properties typically have an excellent central location in the city, the retail spaces tend to be city shops, pubs and restaurants in a central, concentrated shopping district. The 'Other' segment (0.3% of the portfolio) comprises rental income from other activities, including the hostel in Ghent and the car park in Antwerp.

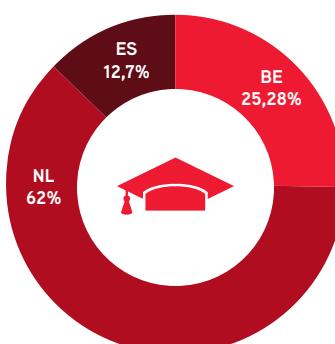
#### 4.2.2.4 Geographical diversification of the property portfolio

The following graphs show the diversification of the property portfolio by country based on the Fair Value. The portfolio in the Netherlands includes 44 properties, which represents a total Fair Value of EUR 833 million or 56% of the entire property portfolio. In Belgium, the portfolio consists of 53 properties with a Fair Value of EUR 392 million and 27%. The other 17% are located in Spain and Portugal, with a total of 10 properties and a Fair Value of EUR 250 million. Based on rental income, Belgium accounts for 25.28% of the property portfolio with EUR 6.9 million. The Netherlands represents EUR 17.1 million or 62%. Spain accounts for EUR 3.5 million of rental income, corresponding to 12.7%.

*Fair value - spread by country*

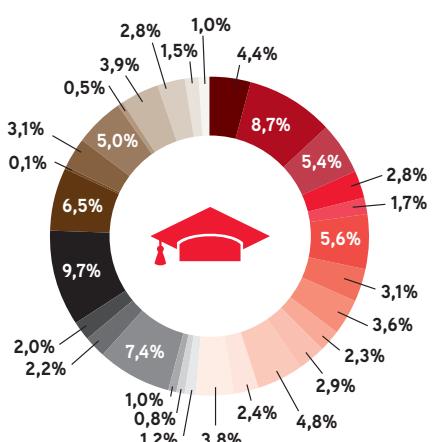


*Rental income - spread by country*

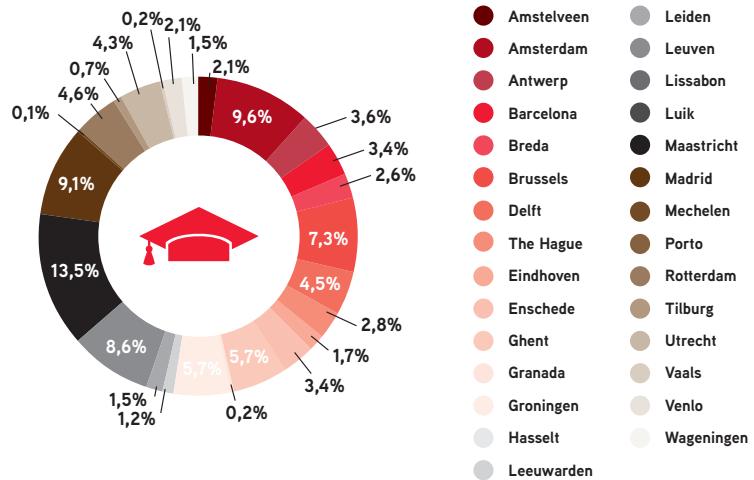


The RREC's property portfolio includes 107 properties spread across 7 cities or towns in Belgium, 17 cities or towns in the Netherlands, 3 cities in Spain and 2 cities in Portugal. The properties are located in Brussels and the main student cities or towns in Flanders, such as Leuven, Ghent and Antwerp, and the main student cities or towns in the Netherlands, such as Amsterdam, Amstelveen, Breda, The Hague, Tilburg, Maastricht, Eindhoven, Delft, Rotterdam, Utrecht, Venlo, Leiden, Groningen, Leeuwarden, Enschede, Wageningen and Vaals. In Spain, the properties are located in the main student cities, Barcelona, Madrid and Granada, and the main student cities in Portugal, 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 rental income are provided below:

Fair value - spread by city



Rental income - spread by city



### 4.2.3 REPORT BY PROPERTY EXPERTS STADIM AND CUSHMAN & WAKEFIELD AND CBRE AS AT 30 JUNE 2020

"Dear Sir or Madam,

We are pleased to present our appraisal of the value of the property portfolio of Xior Student Housing NV (Stadim: 46 properties in Belgium and 21 properties in the Netherlands; Cushman & Wakefield Nederland: 20 properties in the Netherlands; Cushman & Wakefield Portugal: 5 properties; and CBRE: 5 properties in Portugal) as at 30 June 2020.

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 fair value 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 estimated Fair Value of the part of Xior's property portfolio appraised by Stadim (46 properties in Belgium and 21 in the Netherlands) was EUR 942,730,966 (nine hundred and forty-two million seven hundred and thirty thousand nine hundred and sixty-six euros) as at 30 June 2020.

Based on the comments above, we can confirm that the estimated Fair Value of the part of Xior's property portfolio appraised by Cushman & Wakefield (15 properties in the Netherlands) was EUR 282,580,000 (two hundred and eighty-two million, five hundred and eighty thousand euros) on 30 June 2020.

Based on the comments above, we can confirm that the estimated Fair Value of the part of Xior's property portfolio appraised by Cushman & Wakefield Portugal (5 properties in Portugal) was EUR 77,851,000 (seventy-seven million, eight hundred and fifty-one thousand euros) on 30 June 2020.

Based on the comments above, we can confirm that estimated Fair Value of the part of Xior's property portfolio appraised by CBRE (5 property in Spain) was EUR 172,155,977 (one hundred and seventy-two million, one hundred and fifty-five thousand, nine hundred and seventy-seven euros) as at 30 June 2020.

Yours faithfully,

Stadim  
Cushman & Wakefield Nederland  
CBRE.  
Cushman & Wakefield Portugal"



Woudenstein  
**ROTTERDAM**

# 05

Consolidated condensed  
financial statement for  
the first half of 2020

# 5.1

## CONSOLIDATED CONDENSED PROFIT AND LOSS ACCOUNT

Figures are in thousand EUR.

### Income statement

		30/06/2020	30/06/2019	
I.	(+)	Rental income	27,499	20,910
	(+)	Rental income	27,601	18,185
	(+/-)	Rental guarantees	458	2,816
	(+/-)	Rent reductions	-561	-91
III.	(+/-)	Rent-related expenses	-205	-14
		Impairments of trade receivables	-205	-14
	<b>Net rental income</b>		<b>27,293</b>	
			<b>20,896</b>	
V.	(+)	Recovery of rental charges and taxes normally payable by the tenants for let properties	5,962	3,756
		Transmission of rental charges borne by the proprietor	5,891	3,682
		Calculation of withholding tax and taxes on let properties	71	74
VII.	(-)	Rental charges and taxes normally payable by the tenants for let properties	-6,637	-4,328
		Rental charges borne by the proprietor	-6,454	-4,254
		Withholding tax and taxes on let properties	-183	-74
VIII.	(+/-)	Other rent-related income and expenditure	216	117
	<b>Property result</b>		<b>26,834</b>	
			<b>20,441</b>	
IX.	(-)	Technical costs	-1,077	-594
		Recurring technical costs	-1,111	-593
	(-)	Repairs	-885	-399
	(-)	Insurance premiums	-226	-192
		Non-recurring technical costs	34	-1
	(-)	Damages	34	-1
X.	(-)	Commercial costs	-139	-133
	(-)	Advertising	-110	-106
	(-)	Legal costs	-29	-27
XI.	(-)	Costs and taxes for non-let properties	-347	-199
XII.	(-)	Property management costs	-1,254	-1,156
	(-)	External management costs	0	-349
	(-)	Internal management costs	-1,254	-806
XIII.	(-)	Other property charges	-1,941	-1,518

(-)	Architects' fees	0	-4
(-)	Valuation expert fees	-255	-177
(-)	Other	-1,686	-1,337
<b>(+/-)</b>	<b>Property charges</b>	<b>-4,758</b>	<b>-3,598</b>
	<b>Property operating result</b>	<b>22,076</b>	<b>16,843</b>
XIV. (-)	General company expenses	-3,155	-1,733
XV. (+/-)	Other operating result and costs	25	25
	<b>Operating result before result on the portfolio</b>	<b>18,945</b>	<b>15,135</b>
XVI. (+/-)	Result from the sale of investment properties	0	0
(+)	Net property sales (sales price – transaction fees)	0	0
(-)	Book value of the sold property	0	0
XVIII. (+/-)	Variations in the Fair Value of investment property	-2,362	4,462
(+)	Positive variations in the fair value of the investment property	1,368	5,211
(-)	Negative variations in the fair value of the investment property	-3,730	-749
XIX. (+)	Other portfolio result	-12,273	-1,437
	<b>Operating result</b>	<b>4,310</b>	<b>18,159</b>
XX. (+)	Financial income	113	118
(+)	Interest and dividends collected	113	118
XXI. (-)	Net interest costs	-3,557	-3,102
(-)	Nominal interest paid on loans	-2,107	-1,745
(-)	Breakdown of the nominal amount of financial debt	-155	-88
(-)	Costs of permitted hedging instruments	-1,293	-1,268
	Permitted hedging instruments that are not subject to hedging accounting as defined by the IFRS	-1,293	-1,268
(-)	Income from permitted hedging instruments		
(-)	Other interest charges	0	-1
XXII. (-)	Other financial costs	-575	-104
	Bank costs and other commissions	-507	-90
	Other	-68	-13
XXIII. (+/-)	Variations in the fair value of financial assets and liabilities	-8,477	-10,744
	Permitted hedging instruments that are not subject to hedging accounting as defined by the IFRS	-8,477	-10,744
	Other		
<b>(+/-)</b>	<b>Financial result</b>	<b>-12,495</b>	<b>-13,832</b>
XXVI.	Share in the result of associated companies and joint ventures	-479	-101
	<b>Result before taxes</b>	<b>-8,664</b>	<b>4,428</b>
XXV. (+/-)	Corporate tax	-408	-2,031
XXVI. (+/-)	Exit tax	-7	-96
<b>(+/-)</b>	<b>Taxes</b>	<b>-415</b>	<b>-2,127</b>
	<b>Net result</b>	<b>-9,079</b>	<b>2,301</b>

## 5.2

### SUMMARY OF THE TOTAL RESULT

Figures are in thousand EUR.

	<b>30/06/2020</b>	<b>30/06/2019</b>
<b>Net result</b>	<b>-9,079</b>	<b>2,301</b>
<b>Other components of the comprehensive income</b>	<b>0</b>	<b>0</b>
(+/-) Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property	0	0
(+/-) Variations in the effective part of the Fair Value of permitted cash flow hedging instruments	0	0
<b>Comprehensive result</b>	<b>-9,079</b>	<b>2,301</b>
Attributable to:		
Minority interests	69	0
Group shareholders	-9,010	2,301

# 5.3

## CONDENSED CONSOLIDATED BALANCE SHEET

Figures are in thousand EUR.

<b>Assets</b>	<b>30/06/2020</b>	<b>31/12/2019</b>
<b>Fixed assets</b>	<b>1,435,581</b>	<b>1,255,584</b>
A Goodwill	0	0
B Intangible fixed assets	86	52
C Investment property	1,367,082	1,190,791
a Property available to let	1,215,694	1,111,685
b Property developments	151,389	79,106
D Other tangible fixed assets	981	851
a Tangible fixed assets for own use	981	851
Other		
E Financial fixed assets	4,101	25
Assets held until maturity	4,000	
Other	101	25
F Financial leasing receivables		
G Trade receivables and other fixed assets	135	135
H Deferred taxes – assets	12	96
I Participating interests in associated companies and joint ventures with equity movements	63,183	63,635
<b>Current assets</b>	<b>41,991</b>	<b>20,945</b>
D Trade receivables	1,392	1,163
E Tax receivables and other current assets	18,703	13,410
a Taxes	2,226	714
Salaries and social security		
c Other	16,477	12,695
F Cash and cash equivalents	18,335	4,269
G Accruals and deferred payments	3,562	2,103
Prepaid property charges	1,000	1,247
Accrued rental income not due	475	36
Other	2,087	820
<b>Total assets</b>	<b>1,477,571</b>	<b>1,276,529</b>

<b>Liabilities</b>	<b>30/06/2020</b>	<b>31/12/2019</b>
<b>Equity</b>	<b>607,201</b>	<b>625,808</b>
<b>I Equity attributable to parent company shareholders</b>	<b>589,201</b>	<b>610,428</b>
<b>A Capital</b>	345,026	342,125
a Issued capital	347,315	344,396
b Capital increase costs (-)	-2,289	-2,271
<b>B Issue premiums</b>	281,022	276,441
<b>C Reserves</b>	-27,837	-16,108
Statutory reserves		
Reserve for the balance of variations in the fair value of property	43,861	29,530
Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	-25,293	-22,072
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	-15,467	-8,184
Unavailable reserve: reserve for foreseeable losses		
Other reserves	-19,447	-19,447
earnings carried over from previous financial years	-11,593	4,066
<b>D Net result for the financial year</b>	-9,010	7,969
<b>II Minority interests</b>	<b>18,000</b>	<b>15,381</b>
<b>Liabilities</b>	<b>870,371</b>	<b>650,720</b>
<b>I Non-current liabilities</b>	<b>794,219</b>	<b>582,035</b>
<b>A Provisions</b>	0	0
Pensions		
Other		
<b>B Non-current financial debts</b>	690,432	500,425
a Credit institutions	581,134	500,425
b Financial leasing		
c Other	109,298	0
<b>C Other non-current financial liabilities</b>	25,953	15,467
Permitted hedging instruments	25,953	15,467
Other		
<b>E Other non-current liabilities</b>	23,028	19,329
<b>F Deferred taxes – liabilities</b>	54,806	46,813
a Exit tax	2,585	0
b Other	52,222	46,813

<b>II</b>	<b>Current liabilities</b>	<b>76,152</b>	<b>68,685</b>
<b>B</b>	Current financial liabilities	1,111	1,706
a	Credit institution	1,111	1,706
<b>D</b>	Trade debts and other current liabilities	13,368	10,806
	Exit tax	2	206
	Other	13,366	10,600
	Suppliers	8,194	5,657
	Tenants	2,253	686
	Taxes, salaries and social security contributions	2,918	4,257
<b>E</b>	Other current liabilities	56,882	50,906
	Other	56,882	50,906
<b>F</b>	Accruals and deferred payments	4,791	5,266
	Deferred income	819	1,176
	Accrued interest not due and other costs	3,357	2,083
	Other	615	2,007
<b>Total equity and liabilities</b>		<b>1,477,571</b>	<b>1,276,529</b>

## 5.4

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Capital	Issue premiums	Reserves	Net result of the financial year	Equity
<b>Balance sheet as at 1 January 2019</b>	<b>245,672</b>	<b>147,239</b>	<b>1,003</b>	<b>16,105</b>	<b>410,019</b>
Net appropriation of income 2018					
Transfer of result on the portfolio to reserves			7,190	-7,190	-
Transfer of operating result to reserves			2,289	-2,289	-
Result for the period				2,301	2,301
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	-
Issue of new shares (optional dividend)	6,081				6,081
Capital increase through non-cash contribution	17,997				17,997
Costs of issuing new shares and of capital increase	-39				-39
Capital reduction to create an available reserve to cover future losses					-
Partial allocation of capital to issue premiums	-13,619	13,619			-
Dividends				-13,887	-13,887
<b>Balance sheet as at 30 June 2019</b>	<b>256,091</b>	<b>160,859</b>	<b>3,222</b>	<b>2,301</b>	<b>422,472</b>

	Capital	Issue premiums	Reserves	Net result of the financial year	Minority interests	Equity
<b>Balance sheet as at 1 January 2020</b>	<b>342,125</b>	<b>276,440</b>	<b>-16,108</b>	<b>7,968</b>	<b>15,381</b>	<b>625,808</b>
Net appropriation of income 2019						
Transfer of result on the portfolio to reserves			-11,110	11,110		-
Transfer of operating result to reserves			-7,903	7,903		-
Result for the period				-9,079	69	-9,010
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			7,284	-7,284		-
Issue of new shares (optional dividend)						-
Capital increase through non-cash contribution	7,500					7,500
Costs of issuing new shares and of capital increase		-18				-18
Capital reduction to create an available reserve to cover future losses						-
Partial allocation of capital to issue premiums	-4,581	4,581				-
Put option for minority interests						
Dividends				-19,495		-19,495
Other reserves				-133		-133
Entry into capital XL Fund - minority interests				2,550	2,550	2,550
<b>Balance sheet as at 30 June 2020</b>	<b>345,026</b>	<b>281,021</b>	<b>-27,837</b>	<b>-9,010</b>	<b>18,000</b>	<b>607,201</b>

Figures are in thousand EUR.

<b>Detail of reserves</b>	<b>Statutory reserves</b>	<b>Reserve for the balance of variations in the fair value of property</b>	<b>Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property</b>
<b>Balance sheet as at 1 January 2019</b>		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			
<b>Balance sheet as at 30 June 2019</b>	-	29,530	-22,071

<b>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</b>	<b>Available reserve: reserve for foreseeable losses</b>	<b>Other reserves</b>	<b>Retained earnings from previous financial years</b>	<b>Total of the reserves</b>
-924	0	0	1,658	1,003
			16,105	16,105
			-7,190	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-13,887	-13,887
			-	-
<b>-8,183</b>	<b>-</b>	<b>-</b>	<b>3,945</b>	<b>3,221</b>

Figures are in thousand EUR.

<b>Detail van reserves</b>	<b>Statutory reserves</b>	<b>Reserve for the balance of variations in the fair value of property</b>	<b>Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property</b>
<b>Balance sheet as at 1 January 2020</b>	-	29,530	-22,071
Net appropriation of income			
Transfer of result on the portfolio to reserves		14,331	-3,221
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			
<b>Balance sheet as at 30 June 2020</b>		43,861	-25,292



# 5.5

## CONSOLIDATED CONDENSED CASH FLOW STATEMENT

Figures are in thousand EUR.

	<b>30/06/2020</b>	<b>30/06/2019</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>4,269</b>	<b>1,677</b>
<b>1 Cash flow from operating activities</b>	<b>11,457</b>	<b>-6,014</b>
<b>Cash flow from operations</b>	<b>-1,656</b>	<b>16,316</b>
Operating result	4,309	18,159
Interest paid	-3,818	-2,288
Interest received	0	0
Other	0	0
Corporate taxes paid	-2,147	455
<b>Non-cash elements added to/subtracted from the result</b>	<b>9,405</b>	<b>-2,065</b>
Amortisation, depreciation and impairments	94	69
Amortisations/impairments (or writebacks) on tangible and intangible assets	0	0
Other non-cash elements	9,311	-2,134
Variations in the fair value of the investment property	1,393	0
Other non-cash elements	7,918	-2,134
<b>Change in working capital required:</b>	<b>3,708</b>	<b>-20,264</b>
Change in assets	-7,027	2,407
Change in liabilities	10,735	-22,671
<b>2 Cash flow from investment activities</b>	<b>-170,283</b>	<b>-103,706</b>
Acquisition of investment property and property developments	-119,519	-31,122
Sale of investment property	0	0
Purchase of shares in real estate companies	-50,505	-72,407
Sale of shares in real estate companies	0	0
Acquisition of other tangible assets	-259	-170
Acquisition of non-current financial fixed assets	0	-6
Receivables on trade and other non-current assets	0	0
Assets held for sale	0	0

<b>3 Cash flow from financing activities</b>	<b>172,518</b>	<b>109,961</b>
Change in financial liabilities and financial debts		
Increase in financial debts	189,412	177,806
Decrease in financial debts		-60,000
Repayment of shareholder loans		
Change in other liabilities		
Increase (+)/decrease (-) in other liabilities		
Increase (+)/decrease (-) in other debts		
Increase in minority interests	2,619	
Change in equity		
Increase (+)/decrease (-) in capital/issue premiums		
Other		
Costs for the issue of shares	-18	-39
Dividend		
Dividend for the previous financial year (-)	-19,495	-7,806
Increase in cash following merger/acquisitions	374	592
<b>Cash and cash equivalent at the end of the period</b>	<b>18,335</b>	<b>2,510</b>

## 5.6 **NOTES**

### **5.6.1 FINANCIAL REPORTING PRINCIPLES – GENERAL**

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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.

This interim financial information for the period ending on 30 June 2020 was drawn up in accordance with IAS 34 'Interim Financial Reporting'. This interim report must be read together with the financial statement for the financial year ending on 31 December 2019. In the first half of 2020, Xior did not include any new IFRS standards or interpretations, with the exception of IFRS 16, the principles and the valuation rules of which as applied to prepare the interim financial information are identical to those applied for the financial year ending as at 31 December 2019.

These figures include Xior Student Housing NV and its subsidiaries (the 'Group').

No statutory half-yearly financial report was drawn up as at 30 June 2020. The statutory financial statement is only drawn up at year-end.

### **5.6.2 CONSOLIDATION**

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The figures published in this Half-Year Report represent consolidated figures; subsidiaries have been consolidated in accordance with the relevant legislation.

## 5.7 **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). No rental income was generated yet for Spain and Portugal as at 30 June 2019. Every location is broken down further into students and other. Commercial decisions are taken at this level and rental income and occupancy rate are followed up at this level.

The non-allocated amounts category includes all expenses that cannot be allocated to a segment.

Only the net rental income and result on the portfolio are broken down by segment on the income statement.

Figures are in thousand EUR.

	Belgium		The Netherlands		Iberia		Non-allocated amounts	Total
As at 30/06/2020	Students	Other	Students	Other	Students	Other		
<b>Net rental income</b>	<b>6,236</b>	<b>650</b>	<b>14,582</b>	<b>2,404</b>	<b>3,403</b>	<b>18</b>		<b>27,293</b>
<b>Property result</b>							<b>-459</b>	<b>26,834</b>
Property charges							-4,758	-4,758
<b>Property operating result</b>								<b>22,076</b>
General expenses							-3,155	-3,155
Other operating income and costs							25	25
<b>Operating result before result on the portfolio</b>								<b>18,945</b>
Result from the sale of investment property								0
Variations in the Fair Value of investment property	-888	2	819	-20	-2,275	0		-2,362
Other portfolio result	-2,831	0	-3,983	0	-5,394	-65		-12,273
<b>Operating result</b>								<b>4,310</b>
Financial result							-12,495	-12,495
Share in the result of associated companies and joint ventures	0	0	0	0	-479	0		-479
<b>Result before taxes</b>								<b>-8,664</b>
Taxes							-415	-415
<b>Net result</b>								<b>-9,079</b>
<b>EPRA earnings</b>							<b>14,258</b>	<b>14,258</b>
<b>Result on the portfolio</b>	<b>-3,719</b>	<b>2</b>	<b>-3,164</b>	<b>-20</b>	<b>-7,669</b>	<b>-65</b>	<b>0</b>	<b>-14,635</b>

	Belgium		The Netherlands		Iberia	Non-allocated amounts	Total
As at 30/06/2020	Students	Other	Students	Andere	Students		
<b>Total assets</b>	<b>336,659</b>	<b>26,695</b>	<b>713,676</b>	<b>118,226</b>	<b>171,826</b>	<b>110,489</b>	<b>1,477,571</b>
Investment property	336,659	26,695	713,676	118,226	171,826		1,367,082
Other assets						110,489	110,489
<b>Total liabilities and equity</b>						<b>1,477,571</b>	<b>1,477,571</b>
Equity						607,201	607,201
Liabilities						870,371	870,371

<b>As at 30/06/2019</b>	<b>Belgium</b>		<b>The Netherlands</b>		<b>Non-allocated amounts</b>	<b>Total</b>
	Students	Other	Students	Other		
<b>Net rental income</b>	<b>4,723</b>	<b>677</b>	<b>13,497</b>	<b>1,999</b>		<b>20,896</b>
<b>Property result</b>					<b>-455</b>	<b>20,441</b>
Property charges					-3,598	-3,598
<b>Property operating result</b>						<b>16,843</b>
General expenses					-1,733	-1,733
Other operating income and costs					25	25
<b>Operating result before result on the portfolio</b>						<b>15,135</b>
Result from the sale of investment property						0
Variations in the Fair Value of investment property	-364	-20	4,906	-60		4,462
Other portfolio result	1,508		562	-842	-2,665	-1,437
<b>Operating result</b>						<b>18,159</b>
Financial result					-13,731	-13,731
<b>Result before taxes</b>						<b>4,428</b>
Taxes					-2,127	-2,127
<b>Net result</b>						<b>2,301</b>
<b>EPRA earnings</b>						<b>10,530</b>
<b>Result on the portfolio</b>	<b>1,144</b>	<b>-20</b>	<b>5,468</b>	<b>-902</b>	<b>-2,665</b>	<b>3,025</b>

<b>As at 31/12/2019</b>	<b>Belgium</b>		<b>The Netherlands</b>		<b>Iberia</b>	<b>Non-allocated amounts</b>	<b>Total</b>
	Studenten	Andere	Studenten	Andere	Studenten		
<b>Total assets</b>	<b>282,935</b>	<b>27,082</b>	<b>632,985</b>	<b>109,290</b>	<b>138,499</b>	<b>85,738</b>	<b>1,276,529</b>
Investment property	282,935	27,082	632,985	109,290	138,499		1,190,791
Other assets						85,738	85,738
<b>Total liabilities and equity</b>						<b>1,276,528</b>	<b>1,276,528</b>
Equity						625,808	625,808
Liabilities						650,720	650,720

# 5.8

## ALTERNATIVE PERFORMANCE MEASURES (APMS)

### I. Glossary of the Alternative Performance Measures (APMs) used by Xior Student Housing

APM terms	Definition	Use
<b>EPRA earnings</b>	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 earnings 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 covered by earnings
<b>EPRA earnings after IFRIC 21 adjustment</b>	The net result +/- variations in the Fair Value of investment property +/- other portfolio result +/- result of the sale of investment property +/- variations in the Fair Value of financial assets and liabilities +/- deferred taxes with regard to IAS 40 +/- the impact of IFRIC 21 divided over 4 quarters	Measuring the result of the strategic operational activities, excluding changes in the Fair Value of investment property, other portfolio result, the result from the sale of investment property and changes in the Fair Value of financial assets and liabilities, deferred taxes with regard to IAS 40 and adjusted for the impact of IFRIC 21. This indicates the extent to which dividend payments are covered by earnings
<b>Result on the portfolio</b>	Result from the sale of investment property +/- variations in the fair value of investment property +/- other portfolio results	Measuring the realised and unrealised gain / loss on investment property
<b>Average interest rate</b>	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
<b>Average interest rate excl. IRS interest charges</b>	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
<b>Average financing costs</b>	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

<b>Average financing cost excl. IRS interest charges</b>	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
<b>EPRA earnings per share</b>	The net result +/- result of 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 with regard to IAS 40 adjustments divided by the average number of shares	Comparability with other RRECs and international property players
<b>EPRA earnings per share after IFRIC 21 adjustment</b>	The net result +/- result of the sale of investment property +/- changes in the Fair Value of investment property +/- other portfolio result +/- changes in the Fair Value of financial assets and liabilities +/- deferred taxes with regard to IAS 40 adjustments +/- IFRIC 21 adjustment divided by the average number of shares	Comparability with other RRECs and international property players
<b>EPRA NAV</b>	This is the NAV that has been adjusted to include real estate and other investments at their Fair Value and to exclude certain items that are not expected to materialise in a business model with long-term investment property	Comparability with other RRECs and international property players
<b>EPRA NNNAV</b>	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
<b>EPRA cost ratio (incl. vacancy costs)</b>	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
<b>EPRA cost ratio (excl. vacancy costs)</b>	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

Alternative Performance Measures (APMs): reconciliation tables

<b>EPRA earnings</b>	<b>30/06/2020</b>	<b>30/06/2019</b>
Net result	-9,079	2,301
Variations in the fair value of the investment property	2,362	-4,462
Other portfolio result	12,273	1,437
Result from the sale of investment properties	0	0
Variations in the fair value of financial assets and liabilities	8,956	10,644
Deferred taxes with regard to IAS 40	-254	611
<b>EPRA earnings</b>	<b>14,258</b>	<b>10,530</b>
<b>EPRA earnings – share of the group</b>	<b>13,995</b>	<b>10,530</b>

<b>EPRA earnings after IFRIC 21 adjustment</b>	<b>30/06/2020</b>	<b>30/06/2019</b>
Net result	-9,079	2,301
Variations in the fair value of the investment property	2,362	-4,462
Other portfolio result	12,273	1,437
Result from the sale of investment properties	0	0
Variations in the fair value of financial assets and liabilities	8,956	10,644
Deferred taxes with regard to IAS 40	-254	611
<b>EPRA earnings</b>	<b>14,258</b>	<b>10,530</b>
IFRIC 21 impact	1,143	858
<b>EPRA earnings after IFRIC 21 adjustment</b>	<b>15,401</b>	<b>11,388</b>
<b>EPRA earnings after IFRIC 21 adjustment – share of the group</b>	<b>15,138</b>	<b>11,388</b>

	<b>30/06/2020</b>	<b>30/06/2019</b>
<b>Result on the portfolio</b>		
Result from the sale of investment properties	0	0
Variations in the fair value of the investment property	-2,362	4,462
Other portfolio result	-12,273	-1,437
<b>Result on the portfolio</b>	<b>-14,635</b>	<b>3,025</b>
<b>Average interest rate</b>	<b>30/06/2020</b>	<b>30/06/2019</b>
Nominal interest paid on loans	2,107	1,626
Costs of permitted hedging instruments	1,293	1,268
Capitalised interest	1,469	1,170
Average outstanding debt for the period	563,993	431,934
<b>Average interest rate</b>	<b>1.73%</b>	<b>1.88%</b>
<b>Average interest rate excl. costs of permitted hedging instruments</b>	<b>1.27%</b>	<b>1.29%</b>
<b>Average financing costs</b>	<b>30/06/2020</b>	<b>30/06/2019</b>
Nominal interest paid on loans	2,107	1,626
Costs of permitted hedging instruments	1,293	1,268
Capitalised interest	1,469	1,170
Breakdown of the nominal amount of financial debt	155	88
Bank costs and other commissions	575	104
Average outstanding debt for the period	563,993	431,934
<b>Average financing costs</b>	<b>1.99%</b>	<b>1.97%</b>
<b>Average financing costs excl. costs of permitted hedging instruments</b>	<b>1.53%</b>	<b>1.38%</b>

<b>EPRA earnings per share</b>	<b>30/06/2020</b>	<b>30/06/2019</b>
Net result	-9,079	2,301
Variations in the fair value of the investment property	2,362	-4,462
Other portfolio result	12,273	1,437
Result from the sale of investment properties	0	0
Variations in the fair value of financial assets and liabilities	8,956	10,644
Deferred taxes with regard to IAS 40	-254	611
Weighted average number of shares	19,295,291	13,961,809
<b>EPRA earnings per share</b>	<b>0.74</b>	<b>0.75</b>
IFRIC 21 impact	1,143	858
<b>EPRA earnings per share after IFRIC 21 adjustment</b>	<b>0.80</b>	<b>0.82</b>
EPRA earnings per share after IFRIC 21 adjustment – share of the group	0.78	0.82

<b>EPRA NAV</b>	<b>30/06/2020</b>	<b>31/12/2019</b>
Net asset value according to the financial statements	607,201	625,808
To be excluded:		
Fair Value of financial assets and liabilities	25,953	15,467
Deferred taxes	52,222	46,813
<b>EPRA NAV</b>	<b>685,376</b>	<b>688,088</b>
<b>EPRA NAV (EUR/share)</b>	<b>35.52</b>	<b>35.96</b>
<b>EPRA NAV (EUR/share) share of the group</b>	<b>34.59</b>	<b>35.16</b>

<b>EPRA NNNAV</b>	<b>30/06/2020</b>	<b>31/12/2019</b>
EPRA NAV	685,376	688,088
To be added:		
Fair Value of financial assets and liabilities	-25,953	-15,467
Deferred taxes	-52,222	-46,813
<b>EPRA NNNAV</b>	<b>607,201</b>	<b>625,808</b>
<b>EPRA NNNAV (EUR per share)</b>	<b>31.47</b>	<b>32.71</b>
<b>EPRA NNNAV (EUR/share) - share of the group</b>	<b>30,54</b>	<b>31,90</b>

<b>EPRA cost ratio</b>	<b>30/06/2020</b>	<b>30/06/2019</b>
General expenses	3,155	1,733
Impairments of trade receivables	205	14
Property charges	4,758	3,598
EPRA costs (incl. vacancy costs)	8,118	5,345
Vacancy costs	347	199
EPRA costs (excl. vacancy costs)	7,771	5,146
Gross rental income	27,499	20,910
<b>EPRA cost ratio (incl. vacancy costs)</b>	<b>29.5%</b>	<b>25.6%</b>
<b>EPRA cost ratio (excl. vacancy costs)</b>	<b>28.3%</b>	<b>24.6%</b>
IFRIC 21 impact	1,143	858
<b>EPRA cost ratio (incl. vacancy costs) after IFRIC 21 adjustment</b>	<b>25.4%</b>	<b>21.5%</b>
<b>EPRA cost ratio (excl. vacancy costs) after IFRIC 21 adjustment</b>	<b>24.1%</b>	<b>20.5%</b>

# 5.9

## OTHER NOTES

Due to the rounding off to thousands, rounding differences may arise between the balance sheet, income statement and enclosed details.

### 5.9.1 PROPERTY RESULT

Figures are in thousand EUR.

	<b>30/06/2020</b>	<b>30/06/2019</b>
(+) Rental income	27,498	20,910
Rent	27,601	18,185
Rental guarantees	458	2,816
Rent reductions	-561	-91
(+) Writeback of rental carried over and discounted		
(+/-) Rent-related expenses	-205	-14
<b>Net rental income</b>	<b>27,293</b>	<b>20,896</b>
(+) Recovery of property charges	0	0
(+) Recovery of rental charges and taxes normally payable by the tenants for let properties	5,962	3,756
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at the end of the tenancy	0	0
(-) Rental charges and taxes normally payable by the tenants for let properties	-6,637	-4,328
(+/-) Other rent-related income and expenditure	216	-105
<b>Property result</b>	<b>26,834</b>	<b>20,219</b>

Rent-related expenses include entered impairments on rent receivables.

Figures are in thousand EUR.

	<b>30/06/2020</b>	<b>30/06/2019</b>
<b>(+/-) Summary of rental income that could cease to exist in future</b>		
Within one year	24,465	17,887
Between one and five years	1,462	1,213
More than five years	1,675	1,810
<b>Total</b>	<b>27,601</b>	<b>20,910</b>

The above table shows how much of the rental income earned in the first half of 2020 could theoretically cease to exist in future if the current tenants gave notice of termination on the next contractually permitted date and no new tenant was 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 may 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:

<b>University</b>	<b>Location</b>	<b>End date</b>
<b>Rental contract</b>		
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
Stichting Veste	Maastricht	31/07/2029
Hogeschool Gent	Gent	01/09/2041
Amro Estudiantes	Granada	17/06/2022
<b>Guarantee contract</b>		
Vrije Universiteit (VU)	Amsterdam	31/08/2021
Hogeschool Zuyd	Maastricht	31/07/2021

Hogeschool Zuyd	Maastricht	31/07/2021
Rotterdam School of Management (RSM)	Rotterdam	31/12/2021
Hogeschool Utrecht	Utrecht	31/03/2023
Navitas	Enschede	31/05/2024

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 running 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.

## 5.9.2 RESULT ON THE PORTFOLIO

Figures are in thousand EUR.

	<b>30/06/2020</b>	<b>30/06/2019</b>
<b>(+/-) Result from the sale of investment property</b>	0	0
<b>(+/-) Result from the sale of other non-financial assets</b>	0	0
<b>(+/-) Variations in the Fair Value of investment property</b>	<b>-2,362</b>	<b>4,462</b>
Positive variations in the fair value of the investment property	1,368	5,211
Negative variations in the fair value of the investment property	-3,730	-749
Positive variations of the estimated transaction fees and costs resulting from hypothetical disposal of investment property	0	0
Negative variations of the estimated transaction fees and costs resulting from hypothetical disposal of investment property	0	0
<b>(+/-) Other portfolio result</b>	<b>-12,273</b>	<b>-1,437</b>
<b>Result on the portfolio</b>	<b>-14,635</b>	<b>3,025</b>

Properties were acquired through share acquisitions in the first half of 2020. On the other hand, a final purchase price settlement was made for certain historical acquisitions, the impact of which was also booked in other portfolio result.

The properties were acquired at a fiduciary value (the acquisition value agreed between the parties), which was different

from the Fair Value.

- The difference between the Fair Value of properties acquired through share acquisitions and takeover mergers 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 variation in Fair Value between 1 January 2020 and 30 June 2020 was entered under 'negative or positive variations in investment property'.

### 5.9.3 FINANCIAL RESULT

Figures are in thousand EUR.

	<b>30/06/2020</b>	<b>30/06/2019</b>
<b>(+) Financial income</b>	113	118
<b>(-) Net interest expense</b>	-3,557	-3,102
Nominal interest paid on loans	-2,107	-1,745
Breakdown of the nominal amount of financial debt	-155	-88
Costs of permitted hedging instruments	-1,293	-1,268
<b>(-) Other interest costs</b>	0	-1
<b>(-) Other financial costs</b>	-575	-104
Bank costs and other commissions	-507	-90
Other	-68	-13
<b>(+/-) Variations in the Fair Value of financial assets and liabilities</b>		
Market value of interest rate swaps	-8,477	-10,744
Share in the result of joint ventures	-479	101
<b>Financial result</b>	<b>-12,975</b>	<b>-13,731</b>

The average interest rate <sup>13</sup> was 1.73% (1.27% without hedging instruments) as at 30 June 2020, as compared to 1.88% as at 30 June 2019. The average financing cost <sup>13</sup> was 1.99% as at 30 June 2020, as compared to 1.97% as at 30 June 2019.

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. 90% of the drawn down loans were hedged with IRS contracts or concluded at fixed interest rates as at 30 June 2020.

<sup>13</sup> For the calculation of the APMs, please refer to Chapter 5.8 of this Half-Yearly 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.

#### 5.9.4 INVESTMENT PROPERTY

Figures are in thousand EUR.

Investment table	Investment property in operation	Property developments	Total
<b>Balance as at 1 January 2019</b>	<b>735,927</b>	<b>78,981</b>	<b>814,908</b>
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
<b>Balance as at 31 December 2019</b>	<b>1,111,685</b>	<b>79,106</b>	<b>1,190,791</b>
Acquisition through purchase or contributions of real estate companies	98,588	50,963	149,551
Further CAPEX investments	5,500	22,133	27,633
Purchase and contribution of investment property	0	-	0
Sale of investment property	0	-	0
Capitalised interest charges	772	697	1,469
Change in the Fair Value	-2,097	-265	-2,362
Transfer from / to	1,245	-1,245	0
<b>Balance as at 30 June 2020</b>	<b>1,215,693</b>	<b>151,389</b>	<b>1,367,082</b>

With regard to the valuation uncertainty recognised by the valuers, we refer to *section 2.3.3* above.

## 5.9.5 CAPITAL

Figures are in thousand 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
13/6/2019	Stratos KVK NV contribution in kind
27/10/2019	Capital increase
18/06/2020	Capital increase

<b>Previous capital (EUR)</b>	<b>Capital increase (EUR)</b>	<b>New capital (EUR)</b>	<b>Previous number of shares</b>	<b>New number of shares</b>	<b>Accounting par value (EUR)</b>
	20,000.00	20,000.00		200	100.00
20,000.00	1,230,000.00	1,250,000.00	200	12,500	100.00
1,250,000.00		1,250,000.00	12,500	42,500	29.41
1,250,000.00	23,328,937.02	24,578,937.02	42,500	975,653	25.19
24,578,937.02	3,256,783.01	27,835,720.03	975,653	1,105,923	25.17
27,835,720.03	3,696,060.08	31,531,780.11	1,105,923	1,253,764	25.15
31,531,780.11	58,710,898.28	90,242,678.39	1,253,764	4,626,780	19.50
90,242,678.39	-6,960,638.39	83,282,040.00	4,626,780	4,626,780	18.00
83,282,040.00	4,151,826.00	87,433,866.00	4,626,780	4,857,437	18.00
87,433,866.00	1,320,948.00	88,754,814.00	4,857,437	4,930,823	18.00
88,754,814.00	6,114,204.00	94,869,018.00	4,930,823	5,270,501	18.00
94,869,018.00	2,669,976.00	97,538,994.00	5,270,501	5,418,833	18.00
97,538,994.00	48,769,488.00	146,308,482.00	5,418,833	8,128,249	18.00
146,308,482.00	9,317,304.00	155,625,786.00	8,128,249	8,645,877	18.00
155,625,786.00	77,812,884.00	233,438,670.00	8,645,877	12,968,815	18.00
233,438,670.00	14,400,000.00	247,838,670.00	12,968,815	13,768,815	18.00
247,838,670.00	2,702,574.00	250,541,244.00	13,768,815	13,918,958	18.00
250,541,244.00	7,756,002.00	258,297,246.00	13,918,958	14,349,847	18.00
258,297,246.00	86,099,076.00	344,396,322.00	14,349,847	19,133,129	18.00
344,396,322.00	2,918,916.00	347,315,238.00	19,133,129	19,295,291	18.00

### Evolution of issue premiums

Figures are in thousand 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
28/03/2018	Enschede project contribution in kind	8,800
12/06/2018	Capital increase	53,332
12/12/2018	All-In Annadal BV contribution in kind	15,230
4/6/2019	Optional dividend	3,378
13/06/2019	Stratos KVK NV contribution in kind	10,241
27/10/2019	Capital increase	115,582
18/06/2020	Capital increase	4,581
<b>Total issue premiums as at 30/06/2020</b>		<b>281,021</b>
<b>Unavailable issue premiums</b>		<b>276,400</b>
<b>Available issue premiums</b>		<b>4,621</b>

### 5.9.6 EARNINGS PER SHARE

	30/06/2020	30/06/2019
Number of ordinary shares in circulation	19,295,291	14,349,847
Weighted average number of shares	19,295,291	13,961,809
Net result per ordinary share (in EUR)	-0.47	0.16
Diluted net result per ordinary share (in EUR)	-0.47	0.16
<b>EPRA earnings per share (in EUR)</b>	<b>0.74</b>	<b>0.75</b>
<b>EPRA earnings per share (in EUR) after IFRIC 21 adjustment</b>	<b>0.80</b>	<b>0.82</b>
<b>EPRA earnings per share (EUR) – share of the group</b>	<b>0.73</b>	<b>0.75</b>
<b>EPRA earnings per share (in EUR) after IFRIC 21 adjustment – share of the group</b>	<b>0.78</b>	<b>0.82</b>

### 5.9.7 OTHER NON-CURRENT FINANCIAL LIABILITIES

The other non-current financial liabilities were KEUR 25,953 as at 30 June 2020. They relate to the market value of the outstanding interest rate swap (IRS) agreements as at 30 June 2020.

IFRS classification	Level (IFRS)	Notional amount	Expires on	Fair Value Liabilities (in K EUR)
Interest Rate Swap	2	52,000,000	29/12/2023	-1,736
Interest Rate Swap	2	48,000,000	9/11/2027	-2,855
Interest Rate Swap	2	45,000,000	30/12/2027	-2,996
Interest Rate Swap	2	32,500,000	24/06/2025	-493
Interest Rate Swap	2	32,500,000	24/06/2025	-493
Interest Rate Swap	2	30,000,000	9/08/2029	-2,001
Interest Rate Swap	2	26,126,000	7/02/2029	-2,009
Interest Rate Swap	2	25,000,000	6/06/2026	-854
Interest Rate Swap	2	25,000,000	1/04/2025	-1,372
Interest Rate Swap	2	25,000,000	30/06/2027	-2,225
Interest Rate Swap	2	25,000,000	31/12/2029	-3,124
Interest Rate Swap	2	25,000,000	31/12/2030	-3,639
Interest Rate Swap	2	22,000,000	30/06/2028	-2,381
Interest Rate Swap	2	18,000,000	30/12/2024	-863
Interest Rate Swap	2	12,500,000	30/09/2026	-351
Interest Rate Swap	2	12,500,000	28/09/2029	-451
FLOOR	2	25,000,000	31/12/2021	183
FLOOR	2	25,000,000	31/12/2021	183
FLOOR	2	20,000,000	30/09/2023	339
FLOOR	2	20,000,000	31/03/2023	283
FLOOR	2	15,000,000	30/04/2024	309
FLOOR	2	15,000,000	5/05/2022	138
FLOOR	2	15,000,000	5/05/2021	59
FLOOR	2	10,000,000	31/03/2024	198
FLOOR	2	10,000,000	31/01/2023	136

FLOOR	2	10,000,000	31/05/2021	43
FLOOR	2	10,000,000	11/12/2020	21
<b>Total</b>				<b>-25,953</b>

The market value of the outstanding IRS contracts is received from the various financial institutions.

### 5.9.8 FINANCIAL DEBTS

Figures are in thousand EUR.

	<b>30/06/2020</b>	<b>31/12/2019</b>
<b>Non-current financial debts</b>		
Bilateral loans – variable or fixed interest rate	692,049	501,475
Loan drawdown costs	-1,617	-1,050
<b>Total</b>	<b>690,432</b>	<b>500,425</b>

Figures are in thousand EUR.

	<b>30/06/2020</b>	<b>31/12/2019</b>
<b>Non-current financial debts (excl. interest) – Breakdown according to maturity</b>		
Between one and two years	38,539	80,854
Between two and five years	409,396	380,517
More than five years	244,114	40,104
<b>Total</b>	<b>692,049</b>	<b>501,475</b>

Figures are in thousand EUR.

	<b>30/06/2020</b>	<b>31/12/2019</b>
<b>Unused loans</b>		
Due within one year	5,497	0
Due after one year	172,327	208,000
<b>Total</b>	<b>177,824</b>	<b>208,000</b>

Most of the financial debts are closed without any underlying security. Exceptions to this are loans from Stratos KVK NV, 6 and 30 NV, Val Benoit NV and I Love Vols BV. These loans were taken over during the acquisition and are partly encumbered with securities.

Most financial debts have a variable interest rate. A total of KEUR 456,000 in financing is hedged with IRS contracts. This means that 66% of all outstanding financing is hedged with IRS contracts. There are also loans with a fixed interest rate for KEUR 165,000. In total, 90% of all outstanding financing is hedged either via IRS contracts or via a fixed interest rate.

Figures are in thousand EUR.

	30/06/2020	31/12/2019
<b>Estimated future interest charges</b>		
Within one year	9,894	6,622
Between one and five years	30,153	22,142
More than five years	15,215	5,740
<b>Total</b>	<b>55,261</b>	<b>34,504</b>

Figures are in thousand EUR.

	30/06/2020	31/12/2019
<b>Liquidity liability on maturity dates associated with the hedging instruments</b>		
Within one year	2,509	2,304
Between one and five years	9,364	9,214
More than five years	6,365	8,596
<b>Total</b>	<b>18,238</b>	<b>20,114</b>

The estimate of interest expenses takes into account the debt position as at 30 June 2020.

## 5.9.9 FINANCIAL ASSETS AND LIABILITIES

Figures are in thousand EUR.

Summary of financial assets and liabilities	30/06/2020	30/06/2020	31/12/2019	31/12/2019	Level
	Carrying amount	Fair value	Carrying amount	Fair value	
<b>Assets</b>					
Financial fixed assets	67,431	67,431	63,891	63,891	
Financial fixed assets	4,101	4,101	25	25	Level 2
Trade receivables and other fixed assets	135	135	135	135	Level 2
Deferred taxes – assets	12	12	96	96	Level 2
Participating interests in associated companies and joint ventures	63,183	63,183	63,635	63,635	Level 2
Financial current assets	38,430	38,430	18,842	18,842	
Trade receivables	1,392	1,392	1,163	1,163	Level 2
Tax receivables and other current assets	18,703	18,703	13,410	13,410	Level 2
Cash and cash equivalents	18,335	18,335	4,269	4,269	Level 1
<b>Total financial assets</b>	<b>105,861</b>	<b>105,861</b>	<b>82,733</b>	<b>82,733</b>	
<b>Liabilities</b>					
Non-current financial liabilities	739,413	741,884	535,221	535,617	
Non-current financial liabilities	690,432	692,903	500,425	500,821	Level 2
Financial derivatives	25,953	25,953	15,467	15,467	Level 2
Other non-current liabilities	23,028	23,028	19,329	19,329	Level 2
Current financial liabilities	71,361	71,361	63,419	63,419	
Current financial liabilities	1,111	1,111	1,706	1,706	Level 2
Trade debts and other current liabilities	13,368	13,368	10,807	10,807	Level 2
Other current liabilities	56,882	56,882	50,906	50,906	Level 2
<b>Total financial liabilities</b>	<b>810,774</b>	<b>813,245</b>	<b>598,640</b>	<b>599,036</b>	

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.

## 5.9.10 TRANSACTIONS WITH RELATED PARTIES

Figures are in thousand EUR.

	30/06/2020	30/06/2019
<b>Transactions with related parties</b>		
Management fee	330	360
Fee of independent directors	64	21
<b>Total</b>	<b>394</b>	<b>381</b>

Figures are in thousand EUR.

	30/06/2020	31/12/2019
<b>Receivables from Aloxe</b>	<b>2,076</b>	<b>1,720</b>

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 included under the item 'General company expenses'.

As at 30 June 2020, Xior Student Housing NV had KEUR 2,076 in receivables from Aloxe. These receivables resulted mainly from the provided rental guarantees for certain projects during the IPO.

No other transactions took place with persons or institutions regarded as direct company stakeholders during the first half of 2020.

## 5.9.11 EVENTS AFTER THE BALANCE SHEET DATE

We refer to *2.3.2 of this Half-Yearly Report* for events after the balance sheet date.

There have been no other significant events with an impact on the consolidated figures since the closing of the half year.

## 5.9.12 SCOPE OF CONSOLIDATION

The following subsidiaries are part of Xior Student Housing NV's scope of consolidation as at 30 June 2020:

Name	Country	Share in the capital
<b>Companies fully included in the consolidation</b>		
Stubis BVBA	Belgium	100%
Stratos KVK N.V.	Belgium	100%
Xior Campus Hasselt NV.	Belgium	100%
XL Fund BV	Belgium	90%
6 en 30 NV	Belgium	90% *
Val Benoit NV	Belgium	90% *
Savelkoul NV	Belgium	90% *
Woonfront - 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%
Project Stu - Naritaweg B.V.	The Netherlands	100%
Stubis NL B.V.	The Netherlands	100%
Leeuwarden Tesselschadestraat B.V.	The Netherlands	100%
All-In Annadal B.V.	The Netherlands	100%
Xior-Karspeldreef Amsterdam BV	The Netherlands	100%
Xior Groningen B.V.	The Netherlands	100%
Amstelveen Laan van Kronenburg 2 B.V.	The Netherlands	100%
Borgondo Facilities B.V.	The Netherlands	100%
I love Vols B.V.	The Netherlands	90% *
XL NL Cooperatie 1 U.A.	The Netherlands	90% *
XL NL Cooperatie 2 U.A.	The Netherlands	90% *
XSHPT Portugal	Portugal	100%
Minerva Student Housing S.L.	Spain	100%
Xior Quality Student Housing S.L.	Spain	100%
I Love Barcelona Campus Besos S.L.	Spain	100%
Mosquera Directorship S.L.	Spain	80%
Xior Student Housing S.L.U.	Spain	100%
Terra Directorship S.L.	Spain	100%

**Joint Venture**

Promgranj S.L.	Portugal	50%
Uhub Benfica S.L.	Portugal	40%
Uhub Sao João S.L.	Portugal	25%

\* Companies 100% held by XL Fund BV (90% subsidiary of Xior Student Housing NV)

### 5.9.13 DEBT RATIO

Figures are in thousand EUR.

	<b>30/06/2020</b>	<b>31/12/2019</b>
Total liabilities	870,371	650,720
Adjustments	-85,552	-67,752
Permitted hedging instruments	-25,953	-15,467
Deferred taxes – liabilities	-54,808	-47,019
Accruals and deferred payments	-4,791	-5,266
<b>Total debts according to the Royal Decree of 13 July 2014</b>	<b>784,819</b>	<b>582,968</b>
Total assets	1,477,571	1,276,528
Adjustments	0	0
<b>Total assets according to the Royal Decree of 13 July 2014</b>	<b>1,477,571</b>	<b>1,276,528</b>
<b>Debt ratio (in %)</b>	<b>53.12%</b>	<b>45.67%</b>

#### Further notes on the evolution of the debt ratio

The legislation on Regulated Real Estate Companies, more specifically Article 24 of the Royal Decree on Regulated Real Estate Companies, states that if the RREC's consolidated debt ratio exceeds 50%, it must prepare a financial plan with an implementation schedule describing the steps that will be taken to prevent the debt ratio rising above 65% of the consolidated assets. The Statutory Auditor will prepare a special report on this financial plan. This report will confirm that the auditor has verified that the plan's preparation method uses the correct economic foundations and the plan's figures correspond with the RREC's accounting figures.

The half-yearly and annual financial reports must specify how the financial plan was implemented in the relevant period and how the RREC will implement the plan in the future.

#### **Evolution of the debt ratio**

As at 30 June 2020, the consolidated debt ratio of Xior Student Housing NV was 53.12% as compared to 47.34% as at 31 March 2020. This is above the 50% threshold. The Company strives towards a sound debt structure with a long-term debt ratio that does not exceed 55% (see also the Company's Financing Strategy in documents such as the IPO Prospectus, the 2019 Annual Report and the Securities Note of October 2019).

Based on the debt ratio of 53.12% as at 30 June 2020, Xior Student Housing NV still has additional investment potential of approximately EUR 500 million without exceeding the maximum debt ratio of 65%. With a current committed pipeline (2020) worth approximately EUR 56 million and approximately EUR 56 million (H1 2021), this is therefore significantly below the legal limit of 65%. There is still room for about EUR 250 million of new investments before the 60% threshold is crossed.

The appraisal of the property portfolio also has an impact on the debt ratio. Taking into account the capital base on 30 June 2020, the maximum debt ratio of 65% would only be exceeded if the value of the property portfolio were to fall by approximately EUR 265 million, which is about 19% of the property portfolio of EUR 1,367 million as at 30 June 2020.

In Xior Student Housing NV's opinion, the current debt ratio is at an acceptable level and there is still a sufficient margin to absorb any decreases in property value.

#### **Expected evolution of the debt ratio**

Based on the current financial plan and taking into account the acquisitions that will be completed during 2020/2021, Xior Student Housing NV is expecting a debt ratio of around 56% as compared with 53.12% as at 30 June 2020, barring any unforeseen circumstances.

This estimate takes into account the following elements:

- The implementation of the acquisition pipeline;
- The retained earnings taking into account the expected profit forecast for 2020 / 2021 and the dividend payment for the financial year of 2020;
- A stable valuation of the RREC's property portfolio.

However, these expectations may be affected by unforeseen circumstances. Please refer to the chapter on risk management in the 2019 Annual Report in this regard.

#### **Conclusion**

The Board of Directors of Xior Student Housing NV believes that the debt ratio will not exceed 65% and that based on the current economic and real estate trends, planned investments and expected evolution of the public RREC's equity, no additional steps are required.

The goal is to maintain the debt ratio at a level around 55%, and to continue to strive towards a balanced growth of both equity and debt.

Xior Student Housing NV will monitor the evolution of the debt ratio closely. If certain events were to require an adjustment of the public RREC's policy, the Company will not fail to make the adequate adjustments, which will result in mandatory reporting where applicable, as required by the statutory disclosure regulations the Company must comply with.

## 5.9.14 OFF-BALANCE SHEET RIGHTS AND OBLIGATIONS

A number of properties were acquired from third parties in the course of 2016, 2017, 2018, 2019 and 2020. The sellers provided rental guarantees for a number of these properties. The term of these rental guarantees varies from 3 to 24 months starting from the transfer date. Currently there is only a rental guarantee for the Annadal site in Maastricht, Alma Student and Roxi in Zaventem and Campus Besòs in Barcelona.

The Company has a few on-going property development projects for which construction agreements were concluded with contractors.

## 5.9.15 STATUTORY AUDITOR'S REPORT

### STATUTORY AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FIGURES FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2020

#### Introduction

We have reviewed the condensed consolidated interim figures of Xior Student Housing NV and its subsidiaries as of 30 June 2020, consisting of the condensed consolidated income statement, the statement of other comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in shareholders' equity and the condensed consolidated cash flow statement for the 6-month period then ended, as well as the explanatory notes (together: "condensed consolidated interim figures"). The board of directors of the Statutory Management is responsible for the preparation and presentation of these condensed consolidated interim figures in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim figures based on our review.

#### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and in applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim figures on 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

#### Emphasis on a particular matter -

#### Explanatory Note Covid-19

With regard to the COVID-19 pandemic, we draw your attention to page 29 of the interim report ("Update Covid-19 (Corona crisis)") and note 5.9.4 of the consolidated condensed financial statements ("Investment property"). In this note, the Board of Directors explains, on the one hand, the current status of the Corona virus and, on the other hand, that as a result of this pandemic, a material valuation uncertainty was included by some of the appraisers in their valuation reports of the investment properties as at 30 June 2020. This means that there is a higher degree of uncertainty in valuations than usual given the future unknown impact that Covid-19 may have on the property market.

We do not express any qualification in our opinion on this matter.

Sint-Stevens-Woluwe, 3 August 2020

The Statutory Auditor,  
PwC Bedrijfsrevisoren bv  
Represented by Damien Walgrave, Company auditor

## 5.9.16 STATEMENT WITH THE HALF-YEARLY FINANCIAL REPORT

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In accordance with Article 13, Section 2, 3° of the Royal Decree of 14 November 2007, the Board of Directors of Xior Student Housing NV <sup>14</sup> states that, to its knowledge:

- The condensed interim financial statements, drawn up based on the principles for financial reporting in accordance with IFRS and IAS 34 on Interim Financial Reporting as accepted by the European Union, give a true and fair view of the assets, financial situation and results of Xior Student Housing NV and the companies included in the consolidation.
- The interim financial report gives a true and fair view of the main events of the first six months of the current financial year, their effect on the condensed financial statements, the main risk factors and insecurities for the remaining months of the financial year and the main transactions between the related parties (including all changes since the most recent annual report) of the first six months of the current financial year and their possible effect on the condensed financial statements if these transactions had any material consequences for the financial position or results of Xior Student Housing NV.

## 5.9.17 FORWARD-LOOKING STATEMENTS

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This Half-Yearly Report contains forward-looking 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 ('forward-looking statements'). By nature, forward-looking 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 the forward-looking statements will not be realised. Some events are difficult to predict and may depend on factors outside of Xior's control. In addition, the forward-looking statements are only valid on the date of this Half-Yearly Report. Statements in this press release relating to past trends or activities may not be interpreted as an indication that such trends or activities will persist in future. Neither Xior nor its representatives, officers or advisers guarantee that the parameters upon which the forward-looking statements are based are free of errors, nor can they indicate, guarantee or predict whether the expected results set out in such a forward-looking statement will ultimately be achieved. Actual profits, the financial situation and Xior's performance or results may therefore differ substantially from the information projected or implied in forward-looking statements. Xior expressly does not accept any obligations or guarantees as to public updates or reviews of forward-looking statements unless required to do so by law.

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<sup>14</sup> The Board of Directors consists of Leen Van den Neste, Joost Uwents, Wilfried Neven, Wouter De Maeseneire, Christian Teunissen and Frederik Snaeuwaert.



Campus Schoonmeersche  
GHENT



Costerweg  
**WAGENINGEN**



# 06

## Identity cards

<b>Name</b>	Xior Student Housing NV
	
<b>Status</b>	Public regulated real estate company (RREC) under Belgian law (BE-RREC)
<b>Registered office:</b>	Mechelsesteenweg 34, Box 108, 2018 Antwerp
<b>Tel</b>	+32 3 257 04 89
<b>E-mail</b>	info@xior.be
<b>Website</b>	www.xior.be
<b>Register of Legal Entities</b>	Antwerp, Antwerp section
<b>VAT</b>	BE 0547.972.794
<b>Enterprise number</b>	0547.972.794
<b>Date of incorporation</b>	10 March 2014
<b>Licence as RREC</b>	24 November 2015
<b>Financial year-end</b>	31 December
<b>General meeting</b>	Third Thursday in May (10 a.m.)
<b>Listing</b>	Euronext Brussels – continuous market
<b>ISIN code</b>	BE0974288202 (XIOR)
<b>Statutory auditor</b>	PwC Bedrijfsrevisoren BCVBA, Woluwe Garden, Woluwedal 18, 1932 Sint-Stevens-Woluwe, represented by Damien Walgrave
<b>Financial services</b>	ING Belgium
<b>Valuation experts</b>	Stadim CVBA, Cushman & Wakefield & CBRE





INTERNATIONAAL STUDENT BOARD

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