

'19

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

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Eisenhowerlaan
DEN HAAG



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Consolidated key figures as at 30 june 2019

The first half of 2019 starts on 1 January 2019 and ends on 30 June 2019.

The results of the first half year are as follows:

- EPRA earnings  of EUR 0.75 per share¹ - EUR 0.82 per share after IFRIC 21 adjustment
- EPRA earnings  of KEUR 10,530 – KEUR 11,388 after IFRIC 21 adjustment
- EPRA NAV  per share of EUR 32.15 compared to EUR 31.45 as at 31 December 2018
IFRS NAV  per share of EUR 29.44 compared to EUR 29.78 as at 31 December 2018
- Net rental result of KEUR 20,896 for H1 2019
- Net result (IFRS) for H1 2019 of KEUR 2,301
- Debt ratio of 54.42% compared to 49.32% as at 31 December 2018
- Occupancy rate of 98.08% compared to 98.45% per H1 2018
- The property portfolio has risen to EUR 982 million, which is equivalent to an increase of 20.5% compared to 31 December 2018. If all acquisitions and redevelopments in the committed pipeline are completed, the portfolio will increase to approximately EUR 1,100 million with more than 9,000 lettable student units.

Figures are in thousand EUR.

Consolidated P&L statement	30/06/2019	30/06/2018
Net rental result	20,896	12,974
Property result	20,441	12,287
Operating result before result on the portfolio	15,135	8,567
Financial result (excl. changes in the Fair Value of financial assets and liabilities)	-3,087	-1,816
EPRA earnings 	10,530	5,853
EPRA earnings after IFRIC 21 adjustment 	11,388	6,363
Result on the portfolio (IAS 40) 	3,025	185
Revaluation of financial instruments (ineffective interest rate hedges)	-10,744	-2,811
Share in the result of joint ventures	101	-43
Deferred taxes	-611	-2,653
Net result (IFRS)	2,301	531

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

Number of lettable student units	30/06/2019	30/06/2018
Student units	5,795	4,105

Figures are in thousand EUR.

Consolidated balance sheet	30/06/2019	31/12/2018
Equity	422,472	410,019
Fair value of the real estate property ²	982,022	814,908
Debt ratio (Law on Regulated Real Estate Companies) ³	54.42%	49.32%

Figures are in EUR.

Key figures per share	30/06/2019	30/06/2018
Number of shares	14,349,847	12,968,815
Weighted average number of shares ⁴	13.961.809	9.099.666
EPRA earnings per share (based on the weighted average number of shares) 	0.75	0.64
Result on the portfolio (IAS 40) (based on the weighted average number of shares) 	0.22	0.02
Revaluation of financial assets and liabilities (based on the weighted average number of shares)	-0.77	-0.31
Net result per share (IFRS) (based on the weighted average number of shares)	0.16	0.06
Closing price of the share	45.8	37.9
Net asset value per share (IFRS) (based on the number of outstanding shares)	29.44	28.13

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 are 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 .

² The Fair Value of the investment property is the investment value as determined by an independent property expert less the transaction fees (see BE-REIT Association press release dated 10 November 2016). The Fair Value corresponds to the carrying amount under IFRS.

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

⁴ Shares are counted from the time of issue.



Janseniusstraat
LEUVEN



02

Interim management report

2.1

NOTE WITH THE CONSOLIDATED RESULTS FOR THE FIRST HALF OF 2019

The net rental income is KEUR 20,896 in the first half of 2019, compared to KEUR 12,974 in the first half of 2018. This is a 61% increase. This net rental result will continue to increase further in 2019, as certain buildings currently being constructed or converted will only start generating rental income from September or October 2019 and some were acquired very recently and will therefore only contribute to the result fully in the second half of the year.

This mainly relates to the following properties:

- Ariënsplein, Enschede: conversion has almost been completed; rental income will increase gradually in the course of Q3 and Q4 2019.
- Studax, Leuven: Xior acquired the building in mid-June 2019; rental income as from 13 June 2019.
- Besos Campus, Barcelona: the building will be completed and will start to generate rental income in the summer.
- Alma Student, Zaventem: the building will be completed and will start to generate rental income in mid-September.
- Woodskot, Brussels: the building will be completed and will start to generate rental income in mid-September.
- Bonnefanten, Maastricht: the building will be completed and will start to generate rental income in mid-September.

There is also the hostel, which generates rental income during the entire year. The rental income is expected to increase in the following quarters due to seasonal activity.

The average occupancy rate of the property portfolio was 98.08% for the first half of 2019, compared to 98.45% for the first half of 2018. The somewhat lower occupancy rate per H1 2019 is due to a temporary vacancy with respect to the property located at Phoenixstraat, Delft, Awaiting the start of a long term nomination agreement with the university of Delft as from 15 August 2019 onwards.

The real estate result is KEUR 20,441 as at 30 June 2019 (KEUR 12,287 as at 30 June 2018) and the property operating result is KEUR 16,843 (KEUR 9,943 as at 30 June 2018). The property charges (KEUR 3,598) 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 real estate that cannot be passed on 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 2019 include a provision for the entire year of 2019 with regard to property tax on real estate, taxes on Dutch real estate, 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 2019, as these costs were booked entirely in the first quarter rather than spread across all quarters. The effect of this accounting treatment will reduce as the financial year unfolds. If these costs were spread and one quarter of the costs would be entered in each quarter, the result of the first half of 2019 would increase by KEUR 858. In that hypothesis, the EPRA earnings  would be KEUR 11,388.

The general costs are KEUR 1,733 compared to KEUR 1,401 as at 30 June 2018. The increase is mainly due to an increase in the 'subscription tax' as a result of the capital increase of 2018 and an increase in personnel costs due to the recruitment of additional staff.

Pursuant to Article 6 of the Law on Regulated Real Estate Companies, Stubis, a wholly owned subsidiary of Xior Student Housing NV, provides limited real estate services to third parties. The fee received for investment property owned by third parties is KEUR 25.

The portfolio result for the first half of the year is KEUR 3,025 (KEUR 185 as at 30 June 2018). New properties were acquired in the first half of 2019 through property acquisitions (sale-purchase and/or contribution) and share acquisitions.

The property was acquired at a fiduciary value (the acquisition value agreed between the parties) that was different from the Fair Value.

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

The variation in Fair Value between 1 January 2019 and 30 June 2019 was entered under negative or positive variations in investment property. There was a positive net investment property change (KEUR 4,462).

The financial result is KEUR -13,832 (KEUR -4,627 as at 30 June 2018). This result mainly concerns interest on loans (KEUR 1,745), IRS costs (KEUR 1,268), bank charges and other commissions (KEUR 104). 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 -10,744). The market value of these hedging instruments is entered directly in the income statement. The average financing cost is 1.97% for the first half of 2019 (1.76% as at 30 June 2018).

The result before taxes is KEUR 4,428. Corporate taxes are KEUR 1,517. These are mainly taxes on the result of the permanent establishment in the Netherlands. However, KEUR 611 in provisions for deferred taxes was entered.

The net result is KEUR 2,301 (KEUR 531 as at 30 June 2018) and reflects the EPRA earnings as well as the positive impact of the Fair Value of the property portfolio of KEUR 3,025, the negative impact of the Fair Value of financial assets and liabilities of KEUR 10,643 and the negative impact of the deferred taxes with regard to IAS adjustments of KEUR 611 as at 30 June 2019.

The EPRA earnings are KEUR 10,530 (KEUR 5,853 as at 30 June 2018). 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 2019, which was 13,961,809. The EPRA earnings per share (based on the weighted average number of shares) were EUR 0.75 as at 30 June 2019 (EUR 0.64 as at 30 June 2018). The EPRA earnings per share after IFRIC 21 adjustment are EUR 0.82 as at 30 June 2019 (EUR 0.70 as at 30 June 2018).

2.1.1 CONSOLIDATED BALANCE SHEET

As at 30 June 2019, the portfolio consisted of 5,795 lettable student units. This resulted in a valuation of the property portfolio of EUR 982,022 as at 30 June 2019, which meant a 20% increase of KEUR 167,114 since 31 December 2018 (KEUR 814,908). This increase primarily results from the acquisition of Karspeldreef in Amsterdam, Zwarte Doos in Groningen, Besos Campus in Barcelona, the contribution of the Studax building in Leuven and the acquisition of the Meteo building in Wageningen. For the rest, the conversion work continued on Bonnefanten College in Maastricht, Tongerseweg and the Woodskot project in Brussels.

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 more than EUR 1,100 million and approximately 9,000 student units.

As at 30 June 2019, the portfolio consisted of 94 properties (incl. committed pipeline) with 8,960 student units, of which 3,165 units or 35% 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 2019 / 2021. Some of these properties are currently generating rental income as offices.

Current assets amount to KEUR 37,244. They fell by KEUR 948 since 31 December 2018.

They primarily include:

- Trade receivables to be collected (KEUR 1,446): mainly outstanding rent (685) and invoices to be issued to Alma Student (761).
- Other receivables: these primarily include a shareholder loan to Alma Student NV (KEUR 25,345), receivables from Aloxe NV (KEUR 1,735 payable at market interest rate), which arose from the merger with Devimmo and CPG and from the rental / return guarantees provided in 2016 and credit notes to be received (KEUR 4,000).
- Tax receivables (KEUR 1,085): this mainly concerns prepayments for Dutch corporate taxes.
- Bank account balances (KEUR 2,510).

KEUR 1,007 in accruals and deferred charges are mainly real estate costs to be deferred (KEUR 514), accrued rental income (KEUR 163) and general costs to be deferred (KEUR 330 KEUR).

The group equity was KEUR 422,472 as at 30 June 2019 (KEUR 410,019 as at 31 December 2018).

The net asset value per share (EPRA NAV) increased by 2.23% to EUR 32.15 as at 30 June 2019 compared to EUR 31.45 as at 31 December 2018.

The long-term obligations have increased by KEUR 117,801 since 31 December 2018. 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 49.32% as at 31 December 2018 to 54.42% as at 30 June 2019.

The current liabilities are KEUR 35,931. This is an increase of KEUR 8,401 since 31 December 2018. 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 2019. The Company follows up outstanding debts very closely in order to keep the Company's debt ratio under control.

The current liabilities consist of short-term loans (part of the Stratos KVK NV loan – KEUR 840) and negative bank balances as at 30 June 2019 (KEUR 1,726), outstanding supplier debts (KEUR 9,755), advances received from tenants (KEUR 2,522), VAT, tax and social debts (KEUR 3,475), guarantees received from tenants (KEUR 4,282), the price still to be paid for the purchase option exercise (put and call option) on 50% of the remaining Alma Student shares (KEUR 7,243) and accruals and deferred payments (KEUR 5,184). The accruals and deferred payments are mainly rental income to be deferred (KEUR 1,395), accrued real estate costs (KEUR 1,644), accrued interest (KEUR 918) and accrued general expenses (KEUR 1,227).

2.1.2 COMPOSITION OF DEBTS

Xior Student Housing NV had drawn down KEUR 528,794 in long-term debt as at 30 June 2019. This debt consisted of drawn down long-term credit lines with Belfius Bank, ING Belgium, BNP Paribas Fortis, KBC Bank, Argenta Spaarbank, Caisse d'Epargne, vdk bank and Bank Nagelmackers. There are no loans that will mature within 12 months. As a result of the acquisition of the company Stratos KVK NV, the group took over a loan that requires periodic repayments. KEUR 840 in capital must be repaid in the coming 12 months. Xior had EUR 651 million in credit lines as at 30 June 2019. This amount is made up of credit lines with ING Belgium NV (EUR 136 million), Belfius Bank NV (EUR 120 million), KBC Bank NV (EUR 55 million), BNP Paribas Fortis (EUR 100 million), Argenta Spaarbank NV (EUR 70 million), Caisse d'Epargne / Natixis (EUR 150 million), vdk bank (EUR 10 million) and Bank Nagelmackers (EUR 10 million). The part of the credit lines that has not been drawn down was KEUR 120,000.

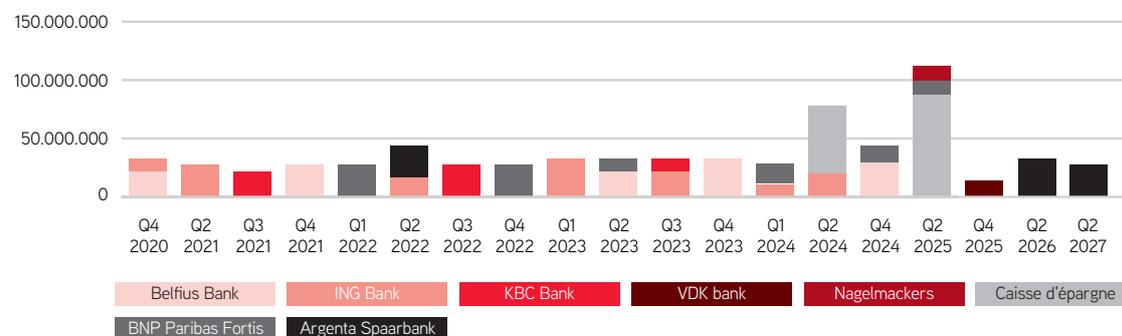
The most important covenants the Company must respect under these financing agreements are compliance with a debt ratio of less than 60% (calculated according to the Royal Decree on Regulated Real Estate Companies), an interest coverage ratio greater than 2.5 and hedging of at least 70% of the financing debts. The ICR was 4.90 for H1 2019.

As at 30 June 2019, 87% of the drawn down credit lines were hedged with interest rate swaps.

The total hedging market value was negative (KEUR -17,062), which is KEUR 10,744 less than the market value as at 31 December 2018. This value decrease has a negative effect on the net result as at 30 June 2019.

As at 30 June 2019, the average maturity of the committed loans was 4.6 years (4.3 years as at 31 December 2018). 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 2019)



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. This was not included in the graph above, as it would render the graph unreadable.

2.2

DATA ACCORDING TO THE EPRA REFERENCE SYSTEM⁵

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 with the accounting information included in the consolidated financial statements.

	Definition	in KEUR	EUR per share
EPRA earnings	Underlying result derived from the strategic operating activities.	10,530	0.75
EPRA NAV	Net asset value (NAV) adjusted to take into account the Fair Value of the real estate property and excluding certain elements that are not part of a financial model of long-term property investments.	461,405	32.15
EPRA NNAV	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.	422,472	29.44
			%
EPRA cost ratio (including vacancy costs)	EPRA costs (including vacancy costs) divided by the gross rental income.		25.6% ⁶
EPRA cost ratio (excluding vacancy costs)	EPRA costs (excluding vacancy costs) divided by the gross rental income.		24.6% ⁷

⁵ Financial performance indicator calculated in accordance with the EPRA (European Public Real Estate Association) Best Practice Recommendations. See also www.epra.com.

⁶ The EPRA cost ratio (including vacancy costs) after IFRIC 21 adjustment is 21.5%.

⁷ The EPRA cost ratio (excluding vacancy costs) after IFRIC 21 adjustment is 20.5%.

EPRA earnings per share	30/06/2019	30/06/2018
Net result	2,301	531
Changes in the Fair Value of the real estate property	-4,462	-405
Other portfolio results	1,437	220
Result from the sale of investment properties	0	0
Changes in the Fair Value of financial assets and liabilities	10,644	2,854
Deferred taxes with regard to IAS 40 adjustments	611	2,653
Weighted average number of shares	13,961,809	9,099,666
EPRA earnings per share	0.75	0.64
IFRIC 21 impact	858	510
EPRA earnings per share after IFRIC 21 adjustment	0.82	0.70

EPRA NAV	30/06/2019	31/12/2018
Net asset value according to the financial statements	422,472	410,019
To be excluded:		
Fair value of financial assets and liabilities	17,062	6,317
Deferred taxes	21,871	16,675
EPRA NAV	461,405	433,011
EPRA NAV (EUR / share)	32.15	31.45

EPRA NNAV	30/06/2019	31/12/2018
EPRA NAV	461,405	433,011
To be added:		
Fair value of financial assets and liabilities	-17,062	-6,317
Deferred taxes	-21,871	-16,675
EPRA NNAV	422,472	410,019
EPRA NNAV (EUR per share)	29.44	29.78

EPRA cost ratio	30/06/2019	30/06/2018
General expenses	1,733	1,401
Impairments of trade receivables	14	11
Property charges	3,598	2,343
EPRA costs (incl. vacancy costs)	5,345	3,755
Vacancy costs	199	120
EPRA costs (excl. vacancy costs)	5,146	3,635
Gross rental income	20,910	12,985
EPRA cost ratio (incl. vacancy costs)	25.6%	28.9%
EPRA cost ratio (excluding vacancy costs)	24.6%	28.0%
IFRIC 21 impact	858	510
EPRA cost ratio (incl. vacancy costs) after IFRIC 21 adjustment	21.5%	25.0%
EPRA cost ratio (excl. vacancy costs) after IFRIC 21 adjustment	20.5%	24.1%



2.3

TRANSACTIONS AND ACHIEVEMENTS

2.3.1 TRANSACTIONS AND ACHIEVEMENTS DURING THE FIRST HALF OF 2019

2.3.1.1 General

After the growth achieved in 2018, Xior continued to work on the further growth of its property portfolio in the first half year of 2019. 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. In June 2019, Xior was able to make another contribution in kind and give the shareholders the opportunity to convert their dividend into shares for the first time (the stock dividend). If all acquisitions and redevelopments in the committed pipeline were completed, the portfolio would increase to more than EUR 1,100 million with more than 9,000 lettable student 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 year⁸

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 the Roxi concept

On 19 June 2019, Xior launched ROXI – The Urban Residence, a new concept that focuses on both long and short stays. The Belgian real estate player has long offered a more traditional range of student accommodation in Belgium, the Netherlands, Spain and Portugal, and is now expanding its services with a more hybrid housing concept that effortlessly blends housing, living, studying and/or working. It is Xior's response to the growing trend of co-living. This practice is very common among students and is now also finding its way to young professionals, millennials, expats and so on.



Acquisition of the Meteo building in Wageningen

On 13 June 2019, Xior acquired a student residence in Wageningen, as already announced at the time of the acquisition of the nearby main building on the same site in the 2018 annual report. The building has 22 rooms.

Acquisition of the 'Studax' student residence in Leuven

On 13 June 2019, Xior acquired the 'Studax' student residence near the train station in Leuven, which consists of 292 student rooms. This investment was achieved by acquiring 100% of the shares of the real estate company concerned through a contribution in kind.

The residence is part of 'Kop van Kessel-Lo', the new place to be in Leuven after the full redevelopment of the area and Belle-Vue Park in particular in 2019. It offers many facilities. KU Leuven university will continue to operate the building based on a long-term rental agreement, as it has done since the building's opening in 2016. This means that the management costs are limited, no property tax is due and there are limited maintenance costs, so the operating margin is higher than for normal properties under our own management.

Xior Student Housing has acquired 100% of the shares of Stratos KVK NV for this transaction. Xior Student Housing used its

⁸ The investment values are in line with the estimates of the independent property expert.

right not to pay for the Stratos KVK NV shares in cash. Instead, it has decided to pay with newly issued Xior Student Housing shares by contributing the shares of Stratos KVK NV to Xior Student Housing within the framework of the authorised capital.

The contribution of the Stratos KVK shares was financed by issuing 430,889 new shares for a total value of EUR 18,097,363.01.

The new Xior shares were issued on 13 June 2019 by means of a capital increase within the authorised capital following a vote by the Xior board of directors. The transaction resulted in an equity increase of EUR 18,097,363.01, of which EUR 7,756,002.00 was assigned as capital and the balance of EUR 10,241,361.01 was assigned as Issue Premiums after deduction of the costs of the capital increase according to the applicable IFRS rules.



Stock dividend

Xior shareholders opted for a contribution of net dividend rights of approximately 62.74% of their dividend entitlement in exchange for new shares rather than dividend payment in cash.

This result led to a Xior capital increase (including issue premium) of approximately EUR 6.08 million by creating 150,143 new shares.

Acquisition of Eendrachtskade, Groningen

On 10 April 2019, Xior acquired a redevelopment project in Groningen⁹ with at least 225 residential units, offices and 180 parking spaces. This transaction has an anticipated investment value of approximately EUR 46 million and is expected to have an initial yield of 6.2%. Completion and commissioning are planned for Q4 2020. The existing building is being acquired by procuring 100% of the shares in the SPV. Renovation work will begin after a permit has been obtained. Current rental income of EUR 2 million in total will continue to be generated until Q4 2020.



Completion of Karspeldreef, Amsterdam

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



Acquisition of a student complex in Barcelona

On 13 March 2019, Xior signed an agreement to acquire a student complex to be developed in Barcelona¹⁰. This is a brand-new student residence located in the recently opened new campus of the Universitat Politècnica de Catalunya (UPC) (with 3,500 students and 400 professors and researchers), near the beach and the trendy 22@ district. The residence will have 191 self-contained rooms and will offer all modern facilities, such as an in-house restaurant, a gym, study rooms, a swimming pool and a roof terrace.

The building is fully furnished and was constructed based on a 50-year concession (until 2067). Its completion is expected by the summer rental season of 2019 (when it will start to generate rental income). The seller has given a 50% rental guarantee for the building's occupancy during the summer months (July and August) for a 3-year term (from 2019). This allows Xior to find occupants for the remaining units during the summer holidays in collaboration with the university, local companies and summer traineeship providers. During the academic year, the units are rented out under 10-month contracts. The concession was awarded and is actively managed by a consortium made up by the UPC and three local authorities (Catalonia, Barcelona and Besòs), with whom Xior expects to be working closely and productively in order to

⁹ See the press release dated 10 April 2019.

¹⁰ See the press release dated 13 March 2019.

make the residence and the entire campus a success.

The transaction took place on 21 May 2019 through the acquisition of all shares of the relevant project company of LIFE, a Belgian developer with which Xior has already successfully collaborated in the past.

The total investment value is approximately EUR 25.5 million, with an expected initial yield of approximately 7%.



Agreement on the development in a joint venture structure of two student properties in Portugal

On 13 March 2019, Xior signed a deal for the redevelopment of a student property in Lisbon¹¹ and in Porto through a joint venture structure.

The project in Lisbon (Artur Lamas) concerns a student residence of 124 units (254 beds) and 14 parking spaces on a wholly owned greenfield site. This residence was already the subject of a 12-year triple net lease agreement with Odalys Portugal at a fixed rent. The project will also house a laundry room, fitness room, study room, cafeteria and reception.

The development will take place in a joint venture structure with parties including Promiris, a Belgian company with which Xior has already successfully collaborated for projects in Belgium. Xior's entry will be phased: 50% of the joint venture shares will be purchased upon obtaining the necessary administrative assurances that the permit will be obtained (under certain suspensive conditions) and the remaining 50% will be acquired upon completion. Completion is planned in 2021. Entry is scheduled to take place later this year.

The project in Porto (Granjo) concerns the redevelopment of an existing, wholly owned building into a student complex with 211 units (420 beds) and 3 parking spaces. The building will also house a laundry room, reception, fitness room and cafeteria. The transaction also includes 16 residential apartments to be realised under the project.

Odalys Portugal will also act as the operator and tenant on a triple net basis (with a guarantee by the Odalys Groupe) for 12 years at an annually increasing rent, which the seller will guarantee and supplement during the first 7 years (up to the level that is reached in year 7). This ensures a stable, high rent for Xior.

The development will be structured in the same way as the Lisbon project in a joint venture – also involving Promiris – with a phased entry. Completion is expected in the second half of 2021.

¹¹ See the press release dated 13 March 2019.

The total investment value of both projects is approximately EUR 28.2 million. The expected theoretical gross initial yield of the student housing is approximately 8%¹².



Acquisition of project land in Ghent

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

Additional financing contracts

In the first half of 2019, the Company secured additional financing from ING Bank – Green Loan (EUR 25 million), Belfius Bank (EUR 25 million), BNP Paribas Fortis (EUR 25 million), Argenta Spaarbank NV and Argenta Assuranties (EUR 20 million) and Caisse d'Epargne / Natixis (EUR 125 million).

2.3.1.3 Annual General Meeting

The Annual General Meeting of Xior Student Housing NV took place on 16 May 2019. The annual financial statements for 2018 were approved at the Annual General Meeting. The Annual General Meeting also approved the distribution of EUR 1.25 gross or EUR 0.875 net in a dividend¹³ per share.

2.3.1.5 Acquisitions in the committed pipeline

- **Acquisition in Namur**

On 2 July 2019, Xior signed an agreement for the development of a new student complex of at least 206 units (to be optimised in the current permit process) located near Université de Namur and the train station in Namur, Belgium. Following the proposed development, this transaction will have a total investment value of approximately EUR 20 million at least.

The joint venture Baltissimmo NV – Promiris NV will be responsible for the development. This is a collaboration between Baltissimmo NV and Promiris NV, a developer Xior has successfully joined forces with before (for the project on Oudergemlaan, Etterbeek and for its expansion into Portugal). Xior will acquire the shares of the real estate company concerned following the provisional completion of the project which, according to the current schedule, is expected around Q2 2022 (or one year before, at the very earliest). Xior is hereby taking its first steps in Wallonia and adding a new student city to its portfolio. Namur is characterised, in particular, by a highly outdated and dispersed range of student housing whereby the demand for new, well-situated and high-quality student accommodation is very high. The Pôle Académique Namurois has around 19,000 students and 3,700 academics and staff members in the Walloon capital.

The total investment value (upon 100% acquisition of the shares, after completion) will be approximately EUR 20 million at least (upon 100% acquisition of the real estate company's ownership, which will happen at once upon completion) and the project has an expected average initial yield of approximately 5.9%. The development will be delivered in turnkey condition and includes a student complex with at least 176 self-contained studios and 30 unfurnished rooms with shared facilities based on a design by architectural firm, Montois. The complex will also house a retail facility (e.g. a snack bar), storage for 113 bikes and two parking spaces. This particular implementation of the project may be optimised further still, as part of the current permit process, in which case, the expected investment value will also be adjusted.

¹² In order to compare the development to other properties in the portfolio that are let directly to students where communications always refer to the gross yields, the gross initial yield was calculated using a theoretical gross basis.

¹³ Taking account of a withholding tax of 30%.



2.3.1.5 Operations

Xior continues to develop its management structure and operational teams who are responsible for the day-to-day management of the company and properties and the rental of the student rooms. The company's strong growth is accompanied by an expansion of the teams at the rental offices and the head office, where various departments welcomed more talented and motivated employees.

The rental activities for the next academic year are in full swing with the support of commercial initiatives, including one year of free accommodation for a few lucky Xior students. This promotion was linked to a sustainability campaign on social media channels that encouraged sustainable behaviour in the participants / students.

2.3.1.6 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 2019, 87% of outstanding loans (with floating interest rate – 76.5%, 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 and hedging period).

We also refer to *Chapter 5.9.7 of this Half-Yearly Report* for the valuation of these hedging instruments as at 30 June 2019.

2.4

FORECAST FOR THE SECOND HALF OF 2019

2.4.1 GROWTH PROSPECTS FOR THE SECOND HALF OF THE FINANCIAL YEAR 2019

Xior has every intention of continuing to pursue its growth strategy in 2019 by adding quality student properties to its property portfolio and by completing the projects in its development pipeline. Xior is convinced that several attractive growth opportunities remain available in Belgium, the Netherlands, Spain and Portugal, particularly through further expansion in Belgium, certain Dutch student cities where Xior is not (yet sufficiently) present and the Iberian Peninsula¹⁴.

2.4.2 OUTLOOK

Barring unforeseen circumstances, Xior confirms its prospect of EUR 1.60 EPRA earnings per share for the financial year 2019, an increase of 9.6% compared to 2018. It is also applying a EUR 1.30 target for the gross dividend per share (a 4% increase compared to 2018). Xior therefore expects a healthy increase in its earnings per share compared to the previous year even though the number of shares increased by 76.5% in the course of 2018 and 2019 as a result of the successful capital increase in June 2018 and contributions in kind in March 2018, December 2018 and June 2019. These capital increases are 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 2019 and 2020. We also refer to the above-mentioned transactions and achievements in the first half of 2019 (see item 2.3 above) in this context.

¹⁴ See the press release dated 13 March 2019.

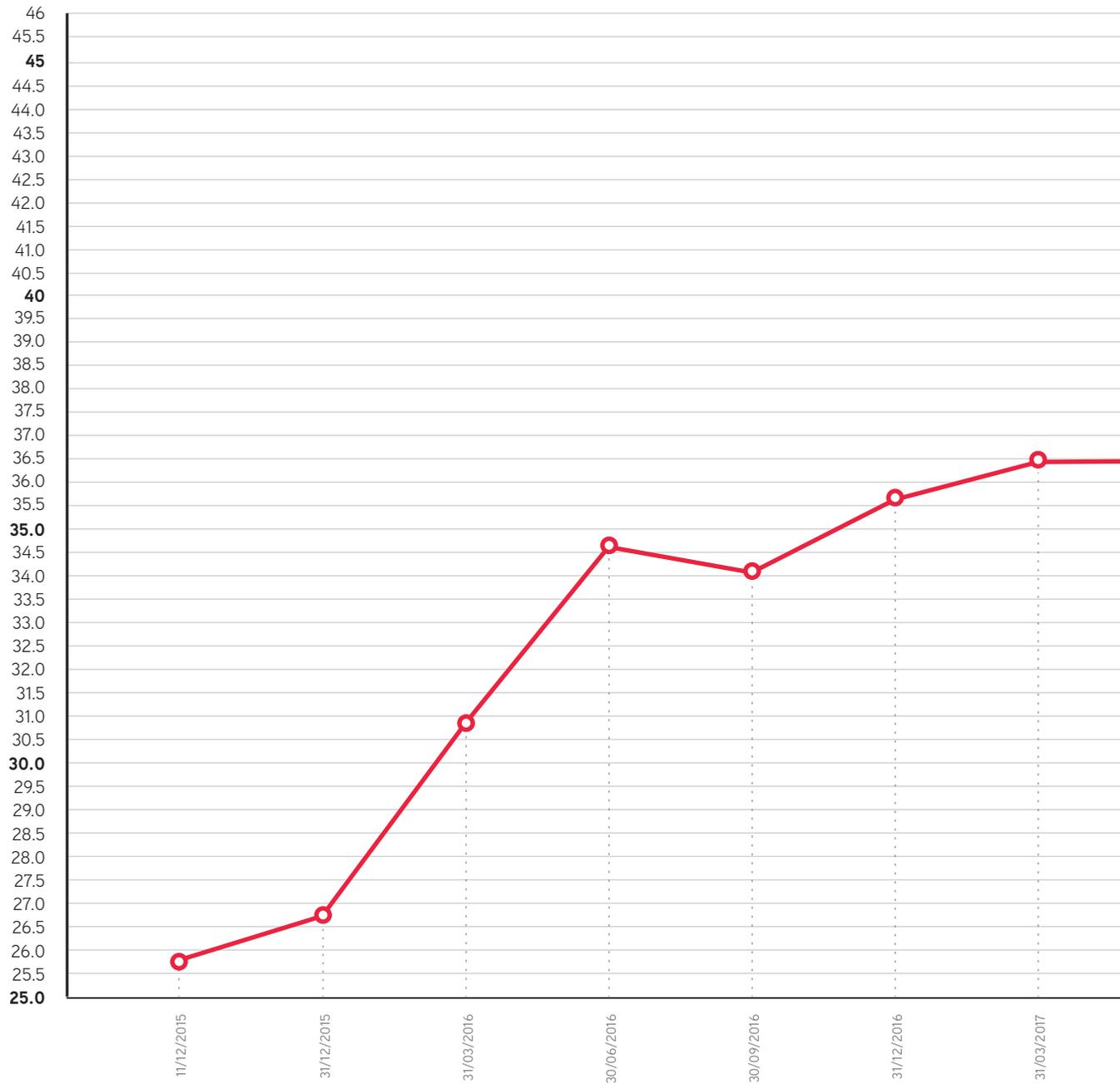
2.5

THE XIOR SHARE

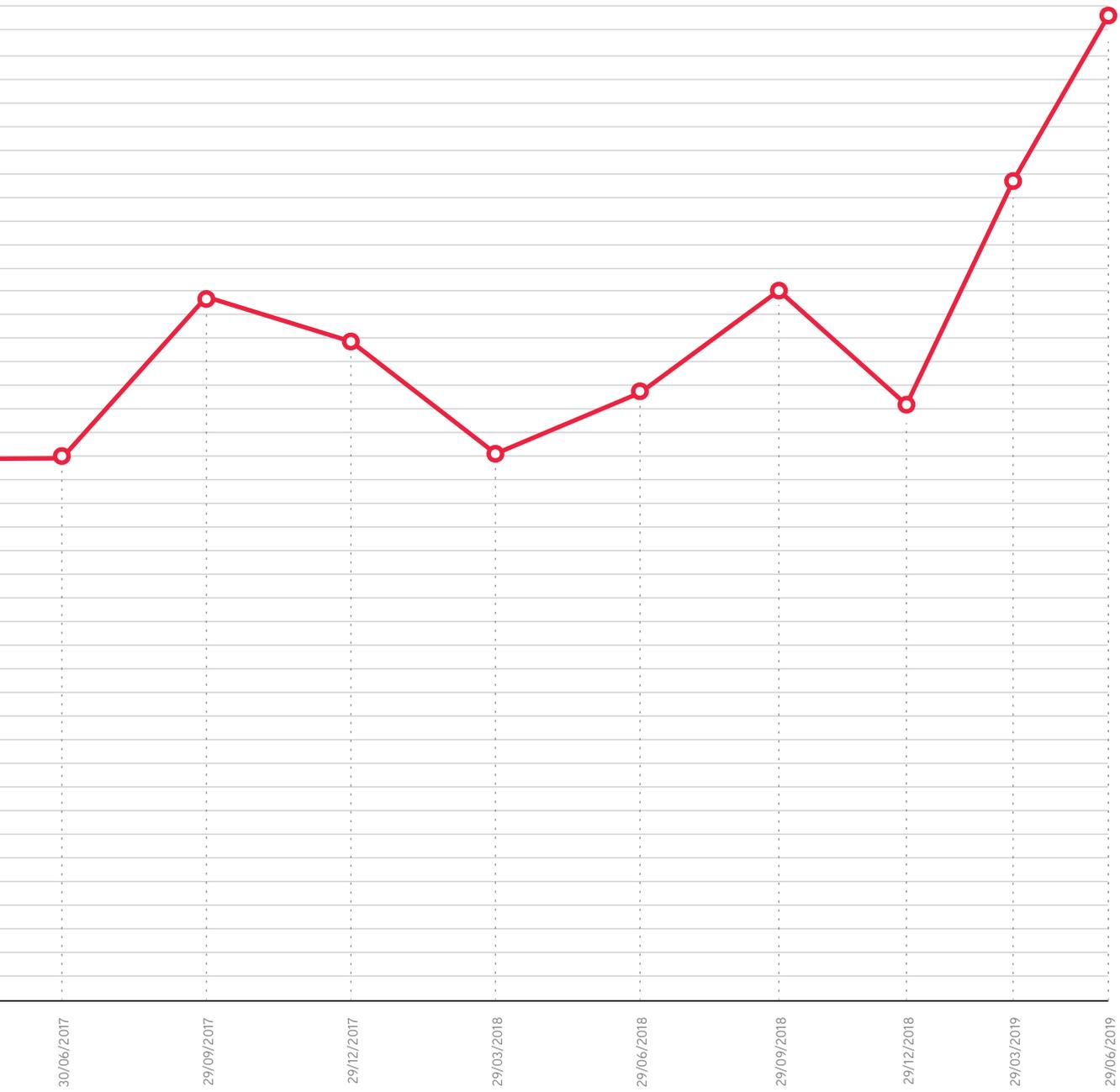
2.5.1 THE SHARE ON EURONEXT BRUSSELS

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 2019 was EUR 45.80, which represents a premium of 55.6% compared to the net value per share as at 30 June 2019 (see also Royal Decree on Regulated Real Estate Companies), which was EUR 29.44 per share. Xior's market capitalisation on Euronext Brussels rose to approximately EUR 657 million in the first half of 2019.



XIOR share price evolution (in EUR)



	30/06/2019	31/12/2018	31/12/2017
Number of issued shares	14,349,847	13,768,815	8,128,249
Weighted average number of shares¹	13,961,809	11,109,319	6,851,483
Market capitalisation (in EUR)	657,222,993	523,214,970	316,920,429
Free float	71.84% ²	71.22% ²	75.01% ²
Share price (closing price) for relevant period (in EUR)			
Highest	47.20	41.00	41.40
Lowest	38.00	33.20	35.13
Average	42.34	37.71	37.49
At year-end closing	45,80	38.00	38.99
Volume (in number of shares)			
Number of shares traded	1,351,914	2,589,031	1,297,992
Average daily volume	10,815	10,193	5,090
Share turnover	9.77% ³	18.30% ³	15.97%
NAV (IFRS) (in EUR)	29.44	29.78	28.44
EPRA NAV (in EUR) 	32.15	31.45	27.58
Dividend payout ratio	NA	85.6%	84%
EPRA earnings per share (in EUR) 	0.75	1.46	1.43

¹ Weighted average number of shares taking into account the dividend entitlements for the relevant shares.

² This free float percentage includes the participation of AXA Investment Managers S.A., which holds a 9.63% stake based on a transparency declaration as at 12 December 2018 and the denominator as at 12 December 2018 (13,768,815). The Company has not received an additional transparency declaration from AXA Investment Managers S.A. since 12 December 2018.

³ Based on weighted average number of shares listed, which does not necessarily correspond to weighted average dividend-entitled shares.



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

2.5.2 SHAREHOLDERS

As at 30 June 2019, the issued capital of Xior Student Housing NV was EUR 258,297,246.00, represented by 14,349,847 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 – Christian Teunissen & Frederik Snauwaert	2,748,420	19.15%
AXA Investment Managers S.A.	1,325,808	9.63% ¹

¹ Based on the transparency notice of 12 December 2018 and the denominator on 12 December 2018 (13,768,815).



Phoenixstraat
DELFT

Gemeente Delft



03

Risks for the remaining months of 2019

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.

With regard to the main risks and uncertainties for the remaining months of the financial year 2019, we refer to the description of these risks and uncertainties on pages 13 to 27 of the Annual Financial Report 2018 (available on the Company website www.xior.be), which will also remain relevant for the remaining part of 2019.



Frankrijklei
ANTWERP



Frederik Lintsstraat
LEUVEN



04

Property report

4.1

PROPERTY MARKET

The student property segment continues to evolve and 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.

The student population is mainly driven by evolutions in several developing countries and will continue to grow worldwide. In some more developed countries, however, demographic developments such as the ageing population will cause a temporary slowdown in the growth of domestic students in the coming years. In various cities in Belgium, the Netherlands, Spain and Portugal with quality universities that offer a wide range of English-language programmes, this 'local slowdown' will be more than compensated by a sharp increase in international students thanks to growing student mobility that is mostly driven by a growing middle class.

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 insufficient and largely outdated, considering the numbers of international students and domestic students who are studying outside their own region. The Belgian and Dutch markets are far more mature already, but they are still highly fragmented. In some cities, there are still imbalances and shortages and the existing supply is often expensive or outdated. Many private owners still rent out student rooms and many students live in studios, apartments or houses that were found on the regular residential housing market.

A strong wave of new large student complex developments has eliminated the shortages somewhat in the Netherlands and Belgium, but as student numbers continue to grow, there is still demand for more and better accommodation and the market is far from truly saturated. We are only at the start of the cycle in Spain and Portugal. There the development wave has only just started and is expected to continue for years to come in order to eliminate the existing large shortages and offer accommodation to the growing influx of international students.

This student property segment is also characterised by growing consolidation and professionalisation. The recent influx of large new student complexes is a conscious strategy on the part of the cities and educational institutions, in partnership with major developers and institutional investors. The cities are imposing stricter urban planning requirements, primarily designed to allow young families to acquire affordable housing in the city centre again. Students belong in good student rooms or student complexes, and cities are increasingly taking the necessary steps to ensure this.

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.

The student housing sector also has a fragmented regulatory framework with national differences (between countries), regional differences (between regions) and local differences (between municipalities). Developments are also taking place in this respect. For example, tenancy legislation is being regionalised in Belgium: new rules have come into effect for the residential market in Wallonia in September 2018 and in Flanders in January 2019.

Educational institutions also require a high-quality supply of student accommodation, better management and maintenance, and affordable rents. They also tend to enter into public-private partnerships with the professional property sector to increase and improve the supply in their city. The future lies with well-equipped and affordable student accommodation, under good management.

The number of students in Belgium, the Netherlands, Spain and Portugal is expected to continue to grow over the next few years. This is mainly because of further internationalisation often driven by coordinated European or international exchange programmes, but the attractiveness of these countries is also a supporting factor: the relatively low education costs, the quality universities, the English-language courses (particularly in the Netherlands, which is the front runner in Europe in this respect), the general quality of life and the competitive labour market attract even more international students. Large student cities and 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.

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

	Rental income as at 30/06/2019 in KEUR	Units – rooms	Units – other	Fair value²
Belgium	5,104	2,262	133	238,525,372
The Netherlands	13,068	3,951	797	504,404,803
Spain	-	191	-	23,772,500
Under construction – Belgium	-	430	-	54,905,718
Under construction – Netherlands	748	528	3	66,164,082
To be converted – Netherlands ¹	1,694	832	191	141,142,550
Hostel – Belgium	296	-	50	8,579,230
Total	20,910	8,194	1,174	1,037,494,254

¹ 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.

² The total Fair Value was KEUR 1,037,494 as at 30 June 2019, as estimated by the valuation expert. The consolidated balance sheet included investment properties for an amount of KEUR 982,022. The difference is due to: a) The real estate

associated with the joint venture, the full value of the real estate is included in the above table, but is not entered under investment properties (KEUR 40,448); b) A number of properties are still under construction or being converted as at 30 June 2019. The calculation of the amount on the consolidated balance sheet took into account expected construction costs (KEUR 12,664); c) A number of buildings in the portfolio need specific structural work (new lift, update of installations, work on the front wall and so on). The calculation of this amount included on the consolidated balance sheet also took into account expected costs (KEUR 2,360).

4.2.2 DESCRIPTION AND DIVERSIFICATION OF THE PROPERTY PORTFOLIO

4.2.2.1 General description of the property portfolio

As at 30 June 2019, the Company's property portfolio consisted of 90 properties. Of these, 47 properties were located in Belgium, 42 in the Netherlands and 1 in Spain. These properties offered a total of 5,795 lettable student rooms and there was also retail activity on the ground floor of eleven of these buildings. The property portfolio also included three properties used only for retail activities, a hostel in Ghent with 50 units, a car park in Antwerp and a number of parking spaces in Leuven. As at 30 June 2019, the property portfolio had a total occupancy rate of 98.08%, not including the buildings that are under construction and are being converted.

The total Fair Value of the property portfolio as at 30 June 2019 was KEUR 982,022. 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 as at 31 December 2018.

		Fair value	Contract rental income as at 31 December 2018 ¹⁵	Insured value	Acquisition value
BE	Antwerp	47,711,608	2,285,701	21,432,855	45,845,500
	Brussels	78,586,115	1,309,280	10,412,180	72,444,793
	Ghent	69,237,933	3,026,785	37,689,743	55,982,700
	Leuven	104,576,167	4,786,333	31,668,638	101,266,028
	Mechelen	1,898,496	77,180	1,408,700	1,894,000
NL	Amstelveen	63,800,632	450,000	39,350,000	62,923,617
	Amsterdam	127,450,000	5,626,310	55,807,885	105,000,000
	Breda	22,291,345	1,312,417	13,880,509	21,155,579

¹⁵ The contracted rental income for properties acquired in the course of 2019 as at 30 June 2019 was included.

Delft	41,221,956	2,379,397	17,416,778	39,892,389
The Hague	46,213,395	2,553,674	30,353,696	38,765,325
Enschede	28,731,098	641,666	16,583,670	28,117,000
Eindhoven	10,495,957	656,330	5,206,621	10,400,000
Groningen	52,522,669	3,100,644	32,798,150	21,391,360
Leeuwarden	11,050,000	681,108	7,875,000	10,821,132
Leiden	14,601,698	813,551	11,759,000	1,274,753
Maastricht	135,791,866	5,391,606	107,985,533	128,457,634
Rotterdam	61,772,216	3,052,158	53,738,240	58,266,500
Tilburg	6,490,000	388,210	3,927,083	5,441,826
Utrecht	55,399,243	2,740,474	24,548,412	48,347,854
Venlo	19,809,361	1,227,069	12,165,000	18,825,000
Wageningen	14,070,000	757,300	10,987,500	13,560,000
ES Barcelona	23,772,500	-	16,000,000	25,515,000
TOTAL	1,037,494,254	43,257,193	562,995,193	915,587,990

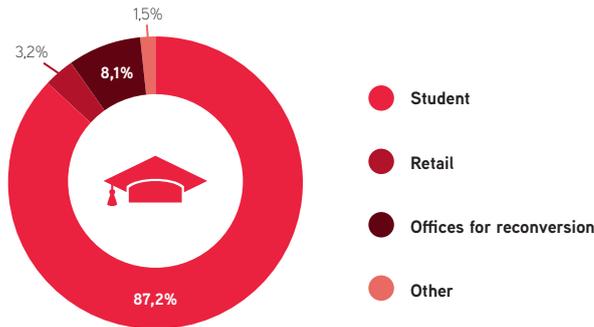
Xior Student Housing's property portfolio is insured for a total reconstruction value of EUR 563 million, which does not include the land on which the property was built, compared to a Fair Value of EUR 982 million (including the land) as at 30 June 2019. This is 57% of the Fair Value.

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 2019.

Rent – spread by type

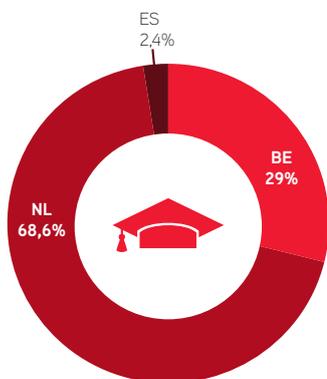


The above summary shows the strong focus on student property, which accounts for 87.2% of rental income. There is also temporary rental income from offices pending their conversion (8.1%). The portfolio also includes a limited number of retail spaces (3.2% of the rental income), which are mostly situated on the ground floor of properties primarily serving 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 (1.5% of the portfolio) comprises rental income from other activities, including the hostel in Ghent and the car park in Antwerp.

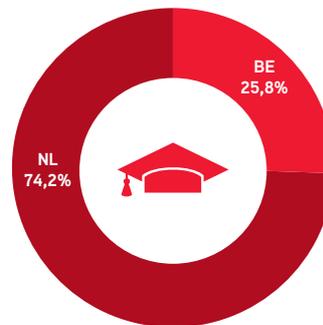
4.2.2.4 Geographical diversification of the property portfolio

The following graphs show the diversification of the property portfolio by country based on the Fair Value. The portfolio in the Netherlands includes 42 properties, which represents a total Fair Value of EUR 711 million or 69% of the entire property portfolio. 29% is located in Belgium, with a total 47 properties and a Fair Value of EUR 302 million and 2% is located in Spain, with 1 property and a Fair Value of EUR 24 million. Based on rental income, Belgium accounts for 25.85% of the property portfolio with EUR 5.4 million. The other EUR 15.5 million, which is 74.15% of rental income, is generated in the Netherlands. Spain has not yet yielded any rental income in the first semester of 2019, as the property will be completed in the summer.

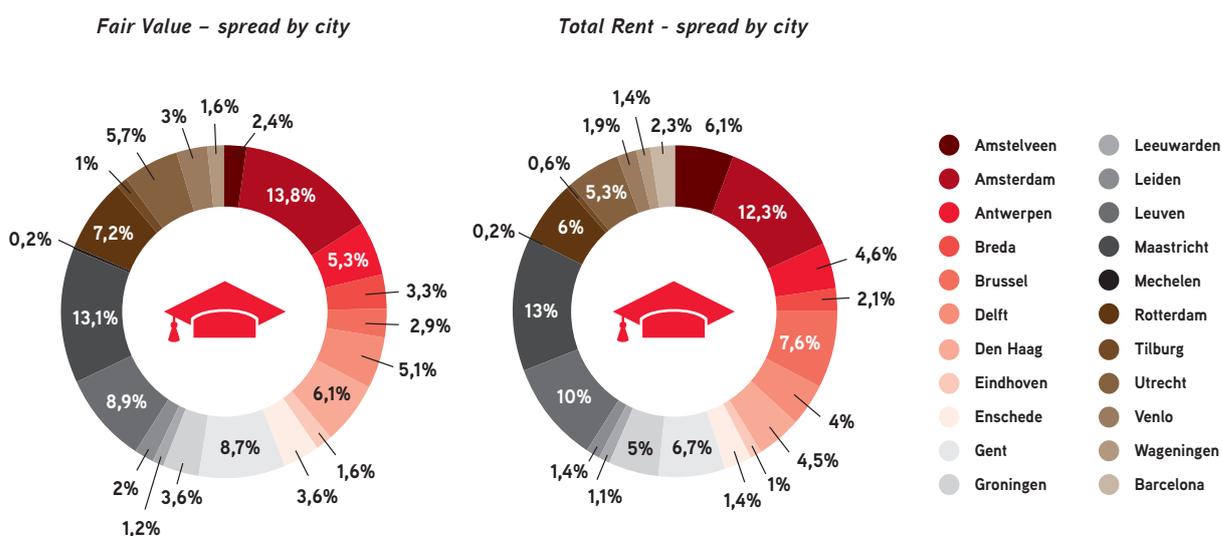
Fair Value - Diversification by country



Rental Income - Diversification by country



The RREC's property portfolio includes 90 properties spread across 5 cities in Belgium and 16 cities in the Netherlands. The properties are located in Brussels and the main student cities in Flanders, such as Leuven, Ghent and Antwerp, and the main student cities in the Netherlands, such as Amsterdam, Amstelveen, Breda, The Hague, Tilburg, Maastricht, Eindhoven, Delft, Rotterdam, Utrecht, Venlo, Leiden, Groningen, Leeuwarden, Enschede and Wageningen. The locations of the various properties in Belgium and the Netherlands and their representation in the property portfolio's Fair Value and rental income are provided below:



4.2.2.5 Diversification in terms of Fair Value

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

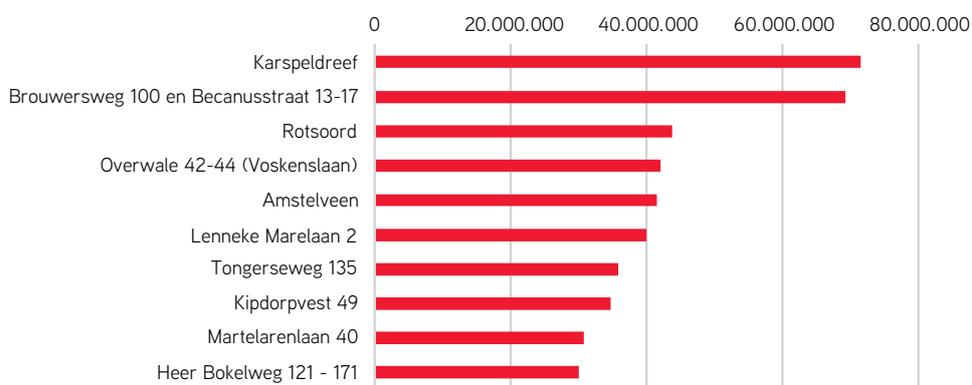


Table: Top 10 Fair Value

Karspeldreef, Amsterdam has the highest Fair Value: EUR 70,850,000 or 6.83% of the property portfolio's total Fair Value. Brouwersweg in Maastricht and Rotsoord in Utrecht are the second and third biggest properties in the property portfolio in terms of Fair Value. They represent 6.53% and 4.31% of the property portfolio's total Fair Value, respectively.

4.2.3 REPORT BY PROPERTY EXPERTS STADIM, CUSHMAN & WAKEFIELD¹⁶ AND CBRE AS AT 30 JUNE 2019

'Dear Sir or Madam,

We are pleased to present our appraisal of the value of the property portfolio of Xior Student Housing NV (Stadim: 46 properties in Belgium and 21 properties in the Netherlands; Cushman & Wakefield: 15 properties in the Netherlands; CBRE: 1 property) as at 30 June 2019.

Xior has appointed us, as independent property experts, to determine the investment value and Fair Value of its property portfolio. The appraisals were made taking into account the comments and definitions stated in the reports and the guidelines of the International Valuation Standards issued by the International Valuation Standards Council (IVSC).

IAS 40 defines Fair Value as the amount for which assets would be transferred between two well-informed parties, on a voluntary basis, and without any special interests, mutual or otherwise. IVSC considers these conditions fulfilled if the parties observe the aforementioned definition of market value. The market value must therefore be a reflection of the current tenancy agreements, the current gross margin of self-financing (or cash flow), the reasonable assumptions concerning the potential rental income and of the expected costs.

The notarial charges must be adapted in this context to the factual market situation. After the analysis of a large number of transactions, the property experts who act on the request of listed real estate companies, came to the conclusion in a working group that since property can be transferred in various ways, the impact of the transaction fees on large investment properties in the Belgian market, whose value exceeds EUR 2.5 million, is limited to 2.5%. The value including the transaction fees payable by the purchaser is therefore the Fair Value plus 2.5% in notarial charges. The Fair Value is therefore calculated by dividing the value including the transaction fees by 1.025. Properties valued at less than the EUR 2.5 million threshold and foreign companies fall under the normal registration duty and their Fair Value thus corresponds with the value that includes the transaction fees payable by the purchaser.

We have acted as independent experts. As property experts, we hold a relevant and accredited qualification and have up-to-date experience with properties of a similar type and location to those in Xior's property portfolio.

The appraisal of the properties took both the current tenancy agreements and all rights and obligations arising from these agreements into consideration. Each property was appraised separately. The appraisal does not take account of potential added value that could be achieved by offering the entire portfolio for sale. Our appraisals do not take into account any marketing costs inherent to a transaction, such as estate agent fees or advertising costs. In addition to an annual inspection of the properties concerned, our appraisals are also based on the information supplied by Xior in relation to the tenancy situation, floor areas, drawings or plans, rental charges and taxes in relation to the specific property, conformity and any environmental pollution. The information provided was considered to be accurate and complete. Our appraisals assume that any non-disclosed information is not of such a nature as to influence the value of the property. The CBRE (Spain) valuation is a "Market Value" based on the Special Assumptions of Completed and Let and Acquisition Costs as BE-REIT Association recommends (2,5%).

Based on the comments above, we can confirm that the Fair Value of the part of Xior's property portfolio appraised by Stadim (46 properties in Belgium and 21 in the Netherlands) was EUR 734,791,800 (seven hundred and thirty-four million seven hundred and ninety-one thousand eight hundred euros) as at 30 June 2019.

Based on the comments above, we can confirm that the rounded Fair Value of the part of Xior's property portfolio appraised by Cushman & Wakefield (15 properties in the Netherlands) was EUR 278,930,000 (two hundred and seventy-eight million nine hundred and thirty thousand euros) as at 30 June 2019.

Based on the comments above, we can confirm that the Fair Value of the part of Xior's property portfolio appraised by CBRE (1 property in Spain) was EUR 23,772,500 (twenty-three million seven hundred and seventy-two thousand five hundred euros) as at 30 June 2019.

Yours faithfully,

Stadim
Cushman & Wakefield'
CBRE

¹⁶ DTZ Zadelhoff v.o.f. was acquired by Cushman & Wakefield.



Minderbroedersstraat
LEUVEN



Nieuwlandstraat
TILBURG

B
M
BENCHMARK
DESIGN STUDIO - STORE

B
M
BENCHMARK
DESIGN STUDIO

INTERIEUR ADVIES - RAAMEN WENT DOOR

INTERIEUR ADVIES EN REALISATIE - VERLICHTING



05

Consolidated condensed financial statements for the first half of 2019

5.1

CONSOLIDATED CONDENSED PROFIT AND LOSS ACCOUNT

In KEUR

Profit and loss account		30/06/2019	30/06/2018
I.	(+) Rental income	20,910	12,985
	(+) Rental income	18,185	12,428
	(+/-) Rental guarantees	2,816	578
	(+/-) Rent reductions	-91	-21
III.	(+/-) Rent-related expenses	-14	-11
	Impairments of trade receivables	-14	-11
	Net rental income	20,896	12,974
V.	(+) Recovery of rental charges and taxes normally payable by the tenants for let properties	3,756	2,237
	Transmission of rental charges borne by the owner	3,682	2,222
	Charges for withholding tax and taxes on let properties	74	14
VII.	(-) Rental charges and taxes normally payable by the tenants for let properties	-4,328	-2,581
	Rental charges borne by the proprietor	-4,254	-2,500
	Advance levies and taxes on let properties	-74	-80
VIII.	(+/-) Other rent-related income and expenditure	117	-342
	Property result	20,441	12,287
IX.	(-) Technical costs	-594	-364
	- Recurring technical costs	-593	-351
	(-) Maintenance	-399	-266
	(-) Insurance premiums	-192	-85
	- Non-recurring technical costs	-1	-13
	(-) Damages	-1	-13
X.	(-) Commercial costs	-133	-172
	(-) Publicity	-106	-161
	(-) Legal costs	-27	-11
XI.	(-) Costs and taxes for non-let properties	-199	-120
XII.	(-) Property management costs	-1,156	-777
	(-) Management costs (external)	-349	-529
	(-) Management costs (internal)	-806	-248
XIII.	(-) Other property charges	-1,518	-911
	(-) Architects' fees	-4	

(-)	Valuation expert fees	-177	-98
(-)	Other	-1,337	-813
(+/-)	Property charges	-3,598	-2,343
	Property operating result	16,843	9,943
XIV. (-)	General company expenses	-1,733	-1,401
XV. (+/-)	Other operating result and costs	25	25
	Operating result before result on the portfolio	15,135	8,568
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. (+/-)	Changes in the Fair Value of investment property	4,462	405
(+)	Positive changes in the Fair Value of investment property	5,211	3,423
(-)	Negative changes in the Fair Value of investment property	-749	-3,019
XIX. (+)	Other portfolio results	-1,437	-220
	Operating result	18,159	8,752
XX. (+)	Financial income	118	64
(+)	Interest and dividends collected	118	64
XXI. (-)	Net interest costs	-3,102	-1,825
(-)	Nominal interest paid on loans	-1,745	-1,011
(-)	Reconstitution of the nominal amount of financial debt	-88	-45
(-)	Costs of permitted hedging instruments	-1,268	-769
	Permitted hedging instruments that are not subject to hedging accounting as defined by the IFRS	-1,268	-769
(-)	Income from permitted hedging instruments		
(-)	Other interest charges	-1	
XXII. (-)	Other financial costs	-104	-55
	Bank costs and other commissions	-90	-51
	Other	-13	-4
XXIII. (+/-)	Changes in the Fair Value of financial assets and liabilities	-10,744	-2,811
	Permitted hedging instruments that are not subject to hedging accounting as defined by the IFRS	-10,744	-2,811
	Other		
(+/-)	Financial result	-13,832	-4,627
XXV.	Share in the result of associated companies and joint ventures	-101	-43
	Result before taxes	4,428	4,082
XXV. (+/-)	Corporate tax	-2,031	-3,552
XXVI. (+/-)	Exit tax	-96	
(+/-)	Taxes	-2,127	-3,552
	Net result	2,301	531

5.2

SUMMARY OF THE TOTAL RESULT

In KEUR

	30/06/2019	30/06/2018
Net result	2,301	531
Other components of the comprehensive income	0	0
(+/-) 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
Comprehensive result	2,301	531
Attributable to:		
Minority interests	0	0
Group shareholders	2,301	531

5.3

CONDENSED CONSOLIDATED BALANCE SHEET

In KEUR

Assets	30/06/2019	31/12/2018
Fixed assets	990,693	823,559
A Goodwill	0	0
B Intangible fixed assets	10	13
C Investment property	982,022	814,908
a Property available to let	869,394	735,927
b Property developments	112,628	78,981
D Other tangible fixed assets	871	698
a Tangible fixed assets for own use	871	698
Other		
E Financial fixed assets	21	21
Assets held until maturity		
Other	21	21
F Financial leasing receivables		
G Trade receivables and other fixed assets	135	135
H Deferred taxes – assets	304	460
I Participating interests in associated companies and joint ventures – equity movements	7,331	7,325
Current assets	37,244	38,192
D Trade receivables	1,446	1,218
E Tax receivables and other current assets	32,281	34,225
a Taxes	1,085	738
Wages and social security contributions		
c Other	31,196	33,487
F Cash and cash equivalents	2,510	1,677
G Accruals and deferred payments	1,007	1,074
Prepaid property charges	514	9
Accrued rental income not due	163	980
Other	330	85
Total assets	1,027,937	861,752

Liabilities	30/06/2019	31/12/2018
Equity	422,472	410,019
I Equity attributable to parent company shareholders	422,472	410,019
A Capital	256,091	245,672
a Issued capital	258,297	247,839
b Capital increase costs (-)	-2,206	-2,167
B Issue premiums	160,859	147,239
C Reserves	3,222	-1,003
Statutory reserves		
Reserve for the balance of the changes in the Fair Value of property	29,530	19,333
Reserve for the impact on the Fair Value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	-22,071	-19,065
Reserve for the balance of the changes in the Fair Value of permitted hedging instruments that are not subject to hedging accounting as defined in the IFRS	-8,184	-924
Retained earnings from previous financial years	3,947	1,659
D Net result for the financial year	2,301	16,105
II Minority interests	0	0
Liabilities	605,465	451,733
I Non-current liabilities	569,534	424,203
A Provisions	0	0
Pensions		
Other		
B Non-current financial debts	528,794	401,177
a Credit institutions	528,794	401,177
b Financial leasing		
C Other non-current financial liabilities	17,062	6,317
Permitted hedging instruments	17,062	6,317
Other		
F Deferred taxes – liabilities	23,678	16,709
a Exit tax	1,807	34
b Other	21,871	16,675
II Current liabilities	35,931	27,530
B Current financial liabilities		
a Credit institutions	2,566	1,637
D Trade debts and other current liabilities	15,847	8,899
Exit tax	96	
Other	15,751	8,899

Suppliers	9,755	6,486
Tenants	2,522	184
Taxes, wages and social security contributions	3,475	2,229
E Other current liabilities	12,335	13,263
Other	12,335	13,263
F Accruals and deferred payments	5,184	3,731
Deferred income	1,395	1,035
Accrued interest not due and other costs	918	907
Other	2,871	1,791
Total equity and liabilities	1,027,937	861,752

5.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Capital	Issue premiums	Reserves	Net result of the financial year	Equity
Balance sheet on 1 January 2018	144,188	69,877	-1,728	10,954	223,291
Net appropriation of income 2017					
Transfer of result on the portfolio to reserves			239	-239	-
Transfer of operating result to reserves			1,550	-1,550	-
Result for the period				531	531
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					
Changes in the Fair Value of financial assets and liabilities			942	-942	-
Issue of new shares	134,011				134,011
Capital increase through non-cash contribution	18,117				18,117
Costs of issuing new shares and of capital increase	-24	-2,866			-2,890
Capital reduction to create an available reserve to cover future losses					-
Partial allocation of capital to issue premiums	-64,998	64,998			-
Dividends				-8,223	-8,223
Balance sheet as at 30 June 2018	231,294	132,009	1,003	531	364,837

	Capital	Issue premiums	Reserves	Net result of the financial year	Equity
Balance sheet on 1 January 2019	245,672	147,239	1,003	16,105	410,019
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					
Changes 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
Balance sheet as at 30 June 2019	256,091	160,859	3,222	2,301	422,472

Figures in thousands of EUR

Detail of reserves	Statutory reserves	Reserve for the balance of the changes in the Fair Value of property	Reserve for the impact on the Fair Value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property
Balance sheet on 1 January 2018		6,668	-6,642
Net appropriation of income	0		
Transfer of result on the portfolio to reserves		12,665	-12,422
Transfer of operating result to reserves			
Other elements recognised in the comprehensive result	0	0	0
Impact on the Fair Value of the estimated transaction fees and costs			
Resulting from hypothetical disposal of investment property			
Changes in the Fair Value of financial assets and liabilities			
Issue of new shares			
Capital increase through non-cash contribution			
Costs of issuing new shares and of capital increase			
Capital reduction to create an available reserve to cover future losses			
Deferred taxes for Dutch real estate			
Dividends			
Other			
Balance sheet as at 30 June 2018	0	19,333	-19,064

Reserve for the balance of the changes in the Fair Value of permitted hedging instruments that are subject to hedging accounting as defined in the IFRS	Available reserve: reserve for expected losses	Other reserves	Retained earnings from previous financial years	Total of the reserves
-1,866	0	0	112	-1,728
			10,954	10,954
			-243	0
				0
0	0	0	0	0
				0
				0
942			-942	0
				0
				0
				0
				0
				0
			-8,223	-8,223
				0
-924	0	0	1,658	1,003

Figures in thousands of EUR

Detail of reserves	Statutory reserves	Reserve for the balance of the changes in the Fair Value of property	Reserve for the impact on the Fair Value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property
Balance sheet on 1 January 2019		19,333	-19,064
Net appropriation of income	0		
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	0	0	0
Impact on the Fair Value of the estimated transaction fees and costs			
Resulting from hypothetical disposal of investment property			
Changes in the Fair Value of financial assets and liabilities			
Issue of new shares			
Capital increase through non-cash contribution			
Costs of issuing new shares and of capital increase			
Capital reduction to create an available reserve to cover future losses			
Deferred taxes for Dutch real estate			
Dividends			
Other			
Balance sheet as at 30 June 2019	0	29,530	-22,071

Reserve for the balance of the changes in the Fair Value of permitted hedging instruments that are subject to hedging accounting as defined in the IFRS	Available reserve: reserve for expected losses	Other reserves	Retained earnings from previous financial years	Total of the reserves
-924	0	0	1,658	1,003
			16,105	16,105
			-7,190	0
				0
0	0	0	0	0
				0
				0
-7,259			7,259	0
				0
				0
				0
				0
				0
				0
			-13,887	-13,887
				0
-8,184	0	0	3,947	3,222

5.5

**CONSOLIDATED CONDENSED
CASH FLOW STATEMENT**

in thousand EUR

	30/06/2019	30/06/2018
Cash and cash equivalents at the start of the period	1,677	815
1 Cash flow from operating activities	-6,014	3,931
Cash flow from operations	16,316	6,805
Operating result	18,159	8,752
Interest paid	-2,288	-1,649
Interest received	0	0
Other	0	-43
Corporate taxes paid	455	-257
Non-cash elements added to / subtracted from the result	-2,065	198
Amortisations and impairments	69	66
Amortisations / impairments (or writebacks) on tangible and intangible assets		
Other non-cash elements	-2,134	132
Changes in the Fair Value of the real estate property		
Other non-cash elements	-2,134	132
Change in working capital requirements:	-20,264	-3,072
Movement of assets	2,407	-3,584
Movement of liabilities	-22,671	513
2 Cash flow from investment activities	-103,706	-93,239
Acquisition of investment property and property developments	-31,122	-73,060
Sale of investment property	0	
Purchase of shares in real estate companies	-72,407	-19,897
Sale of shares in real estate companies	0	
Acquisition of other tangible assets	-170	-281
Acquisition of non-current financial fixed assets	-6	
Receivables on trade and other non-current assets	0	
Assets held for sale	0	

3	Cash flow from financing activities	109,961	93,901
	Change in financial liabilities and financial debts		
	Increase in financial debts	177,806	66,000
	Decrease in financial debts	-60,000	-95,000
	Repayment of shareholder loans		
	Change in other liabilities		
	Increase (+) / decrease (-) in other liabilities		
	Increase (+) / decrease (-) in other debts		
	Increase in minority interests		
	Change in equity		
	Increase (+) / decrease (-) in capital / issue premiums		131,146
	Other		
	Costs for the issue of shares	-39	-24
	Dividend		
	Dividend for the previous financial year (-)	-7,806	-8,223
	Increase in cash following merger / acquisitions	592	136
	Cash and cash equivalents at the end of the period	2,510	5,545

5.6

NOTES

5.6.1 FINANCIAL REPORTING PRINCIPLES – GENERAL

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 2019 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 2018. In the first half of 2019, Xior did not include any new IFRS standards or interpretations, except for IFRS 16, in its principles and the valuation rules applied to prepare the interim financial information are identical to those applied for the financial year ending as at 31 December 2018.

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 2019. The statutory financial statement is only drawn up at year-end.

5.6.2 CONSOLIDATION

The figures published in this Half-Yearly Report are consolidated figures: the subsidiaries are 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 and the Netherlands. 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 unallocated 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 in thousands of EUR

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

As at 30/06/2019	Belgium		The Netherlands		Iberia	Non-allocated amounts	Total
	Students	Other	Students	Other	Students		
Total assets	232,532	26,400	555,060	144,258	23,773	45,915	1,027,937
Investment property	232,532	26,400	555,060	144,258	23,773		982,022
Other assets						45,915	45,915
Total liabilities and equity						1,027,937	1,027,937
Equity						422,472	422,472
Liabilities						605,465	605,465

As at 30/06/2018	Belgium		The Netherlands		Non-allocated amounts	Total
	Students	Other	Students	Other		
Net rental income	3,764	794	6,248	2,168		12,974
Property result					-687	12,287
Property charges					-2,343	-2,343
Property operating result						9,944
General expenses					-1,401	-1,401
Other operating income and costs					25	25
Operating result before result on the portfolio						8,568
Result from the sale of investment property						0
Changes in the Fair Value of investment property	-1,089	789	1,131	-426		405
Other portfolio results			-127		-93	-220
Operating result						8,753
Financial result					-4,670	-4,670
Result before taxes						4,083
Taxes					-3,551	-3,551
Net result						531
EPRA earnings						5,853
Result on the portfolio	-1,089	789	1,004	-426	-93	185

As at 31/12/2018	Belgium		The Netherlands		Non-allocated amounts	Total
	Students	Other	Students	Other		
Total assets	197,971	26,844	518,571	71,522	46,844	861,752
Investment property	197,971	26,844	518,571	71,522		814,908
Other assets					46,844	46,844
Total liabilities and equity					861,752	861,752
Equity					410,019	410,019
Liabilities					451,733	451,733

5.8 ALTERNATIVE PERFORMANCE MEASURES (APMS)

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

APM terms	Definition	Use
EPRA earnings	The net result +/- changes in the Fair Value of investment property +/- other portfolio result +/- result of the sale of investment property +/- changes in the Fair Value of financial assets and liabilities +/- deferred taxes with regard to IAS 40 adjustments	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 and the deferred taxes with regard to IAS 40. This indicates the extent to which dividend payments are supported by the earnings.

EPRA earnings after IFRIC 21 adjustment	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 supported by the earnings.
Result on the portfolio	Income from the sale of investment property +/- changes in the Fair Value of investment property +/- other portfolio result	Measuring the realised and unrealised gain / loss on investment property
Average interest rate	Interest charges including IRS interest expense divided by the average outstanding debt during the period	Measuring the average debt interest costs to allow a comparison with peers and analysis of the evolution over time
Average interest rate excl. IRS interest charges	Interest charges excluding IRS interest expense divided by the average outstanding debt during the period	Measuring the average debt interest costs to allow a comparison with peers and analysis of the evolution over time
Average financing costs	Interest costs including IRS interest expense + arrangement fees and commitment fees, divided by the average outstanding debt during the period	Measuring the average debt financing cost to allow a comparison with peers and analysis of the evolution over time
Average financing cost excl. IRS interest charges	Interest charges including IRS interest charges + arrangement fees and commitment fees, divided by the average outstanding debt during the period	Measuring the average debt financing cost to allow a comparison with peers and analysis of the evolution over time
EPRA earnings per share	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 divided by the average number of shares	Comparability with other RRECs and international property players
EPRA earnings per share after IFRIC 21 adjustment	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

EPRA NAV	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
EPRA NNAV	EPRA NAV adjusted to take into account (i) the Fair Value of the assets and liabilities, (ii) the Fair Value of debts and (iii) the deferred tax.	Comparability with other RRECs and international property players
EPRA cost ratio (incl. vacancy costs)	EPRA costs (including vacancy costs) divided by the gross rental income, less the rent still to be paid on rented land.	Comparability with other RRECs and international property players
EPRA cost ratio (excl. vacancy costs)	EPRA costs (excluding vacancy costs) divided by the gross rental income, less the rent still to be paid on rented land.	Comparability with other RRECs and international property players

Alternative Performance Measures (APMs): reconciliation tables

EPRA earnings	30/06/2019	30/06/2018
Net result	2,301	531
Changes in the Fair Value of the real estate property	-4,462	-405
Other portfolio results	1,437	220
Result from the sale of investment properties	0	0
Changes in the Fair Value of financial assets and liabilities	10,644	2,854
Deferred taxes with regard to IAS 40 adjustments	611	2,653
EPRA earnings	10,530	5,853

EPRA earnings after IFRIC 21 adjustment	30/06/2019	30/06/2018
Net result	2,301	531
Changes in the Fair Value of the real estate property	-4,462	-405
Other portfolio results	1,437	220
Result from the sale of investment properties	0	0
Changes in the Fair Value of financial assets and liabilities	10,644	2,854
Deferred taxes with regard to IAS 40 adjustments	611	2,653
EPRA earnings	10,530	5,853
IFRIC 21 impact	858	510
EPRA earnings after IFRIC 21 adjustment	11,388	6,363

Result on the portfolio	30/06/2019	30/06/2018
Result from the sale of investment properties	0	0
Changes in the Fair Value of the real estate property	4,462	405
Other portfolio results	-1,437	-220
Result on the portfolio	3,025	185

Average interest rate	30/06/2019	30/06/2018
Nominal interest paid on loans	1,626	1,011
Costs of permitted hedging instruments	1,268	769
Capitalised interest	1,170	651
Average outstanding debt for the period	431,934	287,463
Average interest rate	1.88%	1.69%
Average interest rate excl. Costs of permitted hedging instruments	1.29%	1.16%

Average financing costs	30/06/2019	30/06/2018
Nominal interest paid on loans	1,626	1,011
Costs of permitted hedging instruments	1,268	769
Capitalised interest	1,170	651
Reconstitution of the nominal amount of financial debt	88	45
Bank costs and other commissions	104	55
Average outstanding debt for the period	431,934	287,463
Average financing costs	1.97%	1.76%
Average financing cost excl. Costs of permitted hedging instruments	1.38%	1.23%

EPRA earnings per share	30/06/2019	30/06/2018
Net result	2,301	531
Changes in the Fair Value of the real estate property	-4,462	-405
Other portfolio results	1,437	220
Result from the sale of investment properties	0	0
Changes in the Fair Value of financial assets and liabilities	10,644	2,854
Deferred taxes with regard to IAS 40 adjustments	611	2,653
Weighted average number of shares	13,961,809	9,099,666
EPRA earnings per share	0.75	0.64
IFRIC 21 impact	858	510
EPRA earnings per share after IFRIC 21 adjustment	0.82	0.70

EPRA NAV	30/06/2019	31/12/2018
Net asset value according to the financial statements	422,472	410,019
To be excluded:		
Fair value of financial assets and liabilities	17,062	6,317
Deferred taxes	21,871	16,674
EPRA NAV	461,405	433,011
EPRA NAV (EUR / share)	32.15	31.45

EPRA NNAV	30/06/2019	31/12/2018
EPRA NAV	461,405	433,011
To be added:		
Fair value of financial assets and liabilities	-17,062	-6,317
Deferred taxes	-21,871	-16,674
EPRA NNAV	422,472	410,019
EPRA NNAV (EUR per share)	29.44	29.78

EPRA cost ratio	30/06/2019	30/06/2018
General expenses	1,733	1,401
Impairments of trade receivables	14	11
Property charges	3,598	2,343
EPRA costs (incl. vacancy costs)	5,345	3,755
Vacancy costs	199	120
EPRA costs (excl. vacancy costs)	5,146	3,635
Gross rental income	20,910	12,985
EPRA cost ratio (incl. vacancy costs)	25.6%	28.9%
EPRA cost ratio (excluding vacancy costs)	24.6%	28.0%
IFRIC 21 impact	858	510
EPRA cost ratio (incl. vacancy costs) after IFRIC 21 adjustment	21.5%	25.0%
EPRA cost ratio (excl. vacancy costs) after IFRIC 21 adjustment	20.5%	24.1%

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 in thousands of EUR

	30/06/2019	30/06/2018
(+) Rental income	20,910	12,985
Rent	18,185	12,428
Rental guarantees	2,816	578
Rent reductions	-91	-21
(+) Writeback of rental carried over and discounted		
(+/-) Rent-related expenses	-14	-11
Net rental income	20,896	12,974
(+) Recovery of property charges	0	0
(+) Recovery of rental charges and taxes normally payable by the tenants for let properties	3,756	2,237
(-) 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	-4,328	-2,581
(+/-) Other rent-related income and expenditure	-105	-342
Property result	20,429	12,287

Rent-related expenses include entered impairments on rent receivables.

Figures in thousands of EUR

	30/06/2019	30/06/2018
(+/-) Summary of rental income that could cease to exist in future		
Within one year	17,887	10,136
Between one and five years	1,213	1,527
More than five years	1,810	1,322
Total	20,910	12,985

The above table shows how much of the rental income earned in the first half of 2019 could theoretically cease to exist in future if the current tenants give notice of termination on the next contractually permitted date and no new tenant is found.

Most of Xior Student Housing NV's tenancy agreements are short-term contracts for letting student units. These contracts are typically concluded for a one-year period, after which they can be extended. Xior also tries to conclude long-term contracts with colleges or universities for some of the rooms in its portfolio. Please find below a list of Xior's main rental and guarantee contracts with universities or colleges:

University	City	Location	Contract end date
Lease contracts			
Saxion Hogescholen	Enschede	Ariënsplein	31/08/2026
Saxion Hogescholen	Enschede	Ariënsplein	31/08/2027
Universiteit Maastricht	Maastricht	Vijverdalseweg	31/07/2020
Universiteit Maastricht	Maastricht	Annadal	2021 / 2031
Stichting Studenten Huisvesting (SSH)	Maastricht	Annadal	2037
Hogeschool Gent	Ghent	Overwale Campus	1/09/2036
Guarantee contracts			
Vrije Universiteit (VU)	Amsterdam	Naritaweg	31/05/2021
Hogeschool Zuyd	Maastricht	Vijverdalseweg and Annadal	31/07/2020
Rotterdam School of Management (RSM)	Rotterdam	Woudestein campus	31/12/2021
Hogeschool Utrecht	Utrecht	Willem Dreeslaan	31/03/2024
Navitas	Enschede	Ariënsplein	31/07/2024
UvA Staff	Amsterdam	Karspeldreef	31/08/2022

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 in thousands of EUR

	30/06/2019	30/06/2018
(+/-) Result from the sale of investment property	0	0
(+/-) Result from the sale of other non-financial assets	0	0
(+/-) Changes in the Fair Value of investment property	4,462	405
Positive changes in the Fair Value of investment property	5,211	3,423
Negative changes in the Fair Value of investment property	-749	-3,019
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
(+/-) Other portfolio result	-1,437	-220
Result on the portfolio	3,025	185

Properties were acquired in the first half of 2019 through property acquisitions (sale-purchase and/or contribution) and share acquisitions.

The property was acquired at a fiduciary value (the acquisition value agreed between the parties) that was different from the Fair Value.

- The difference between the Fair Value of properties acquired through property acquisitions (sale-purchase and/or contribution) and the fiduciary value of such property is processed as 'changes in the Fair Value of investment properties' on the income statement.
- 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 2019 and 30 June 2019 was booked under negative or positive variations in investment property.

5.9.3 FINANCIAL RESULT

Figures in thousands of EUR

	30/06/2019	30/06/2018
(+) Financial income	118	64
(-) Net interest expense	-3,102	-1,825
Nominal interest paid on loans	-1,745	-1,011
Reconstitution of the nominal amount of financial debt	-88	-45
Costs of permitted hedging instruments	-1,268	-769
(-) Other interest costs	-1	0
(-) Other financial costs	-104	-55
Bank costs and other commissions	-90	-51
Other	-13	-4
(+/-) Changes in the Fair Value of financial assets and liabilities		
Market value of interest rate swaps	-10,744	-2,811
Share in the result of joint ventures	101	-43
Financial result	-13,731	-4,670

The average interest rate ¹⁷ was 1.88% (1.29% without hedging instruments) as at 30 June 2019, compared to 1.69% as at 30 June 2018. The average financing cost ¹⁸ was 1.97% as at 30 June 2019, compared to 1.76% as at 30 June 2018.

¹⁷ For the calculation of the APMs, please refer to Chapter 5.8 of this Half-Yearly Report.

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. 87% of the drawn down loans were hedged with IRS contracts as at 30 June 2019.

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 in thousands of EUR

Investment table	Investment property in operation	Property developments	Total
Balance as at 1 January 2018	461,905	26,857	488,762
Acquisition through purchase or contributions of real estate companies	181,936	41,923	223,859
Further CAPEX investments	21,336	10,111	31,447
Purchase and contribution of investment property	29,329	34,528	63,857
Sale of investment property	0	0	0
Capitalised interest charges	877	735	1,612
Change in the Fair Value	7,098	-1,727	5,371
Transfer from / to	33,446	-33,446	0
Balance as at 31 December 2018	735,927	78,981	814,908
Acquisition through purchase or contributions of real estate companies	127,520	23,773	151,293
Further CAPEX investments	1,348	5,421	6,769
Purchase and contribution of investment property	0	3,420	3,420
Sale of investment property	0	-	0
Capitalised interest charges	441	729	1,170
Change in the Fair Value	4,158	304	4,462
Transfer from / to	0	0	0
Balance as at 30 June 2019	869,394	112,628	982,022



Campus Schoonmeersche
GENT

5.9.5 CAPITAL

Figures in 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
4/6/2019	Stock dividend
13/6/2019	Stratos KVK NV contribution in kind

	Previous capital (EUR)	Capital increase (EUR)	New capital (EUR)	Previous number of shares	New number of shares	Accounting par value (EUR)
		20,000.00	20,000.00		200	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
	250,838,670.00	7,756,002.00	258,297,246.00	13,918,958	14,349,847	

Evolution of issue premiums

In KEUR

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
13/6/2019	Stratos KVK NV contribution in kind	10,241
Total issue premiums as at 30 June 2019		160,858
Unavailable issue premiums		156,237
Available issue premiums		4,621

5.9.6 EARNINGS PER SHARE

	30/06/2019	30/06/2018
Number of ordinary shares in circulation	14,349,847	12,968,815
Weighted average number of shares	13,961,809	9,099,666
Net result per ordinary share (in EUR)	0.16	0.06
Diluted net result per ordinary share (in EUR)	0.16	0.06
EPRA earnings per share (in EUR) 	0.75	0.64
EPRA earnings per share after IFRIC 21 adjustment 	0.82	0.70

5.9.7 OTHER NON-CURRENT FINANCIAL LIABILITIES

The other non-current financial liabilities were KEUR 17,062 as at 30 June 2019. They relate to the market value of the outstanding interest rate swap (IRS) agreements as at 30 June 2019.

IFRS classification	Level (IFRS)	Notional amount	Expires on	Fair Value liabilities (in KEUR)
Interest rate swap	2	78,000,000	25/05/2024	3,501
Interest rate swap	2	22,000,000	30/06/2028	1,950
Interest rate swap	2	25,000,000	6/06/2026	549
Interest rate swap	2	52,000,000	29/12/2023	1,942
Interest rate swap	2	18,000,000	30/12/2024	876
Interest rate swap	2	25,000,000	1/04/2025	1,350
Interest rate swap	2	45,000,000	31/12/2024	1,989
Interest rate swap	2	25,000,000	31/12/2027	2,547
Interest rate swap	2	25,000,000	31/12/2026	2,216
Interest rate swap	2	25,000,000	30/06/2027	1,790
Interest rate swap	2	32,500,000	24/06/2025	209
Interest rate swap	2	32,500,000	24/06/2025	209
Floor	2	10,000,000	31/01/2023	-170
Floor	2	15,000,000	30/04/2024	-332
Floor	2	20,000,000	30/09/2023	-390
Floor	2	10,000,000	31/03/2024	-216
Floor	2	10,000,000	31/05/2021	-94
Floor	2	20,000,000	31/03/2023	-349
Floor	2	15,000,000	5/05/2021	-136
Floor	2	10,000,000	11/12/2020	-70
Floor	2	15,000,000	5/05/2022	-206
Floor	2	25,000,000	31/12/2019	-51
Floor	2	25,000,000	31/12/2019	-51
Total				17,062

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

5.9.8 FINANCIAL DEBTS

Figures in thousands of EUR

	30/06/2019	31/12/2018
Non-current financial debts		
Bilateral loans – variable or fixed interest rate	529,900	401,500
Bilateral loans – variable or fixed interest rate – short-term part	840	
Loan drawdown costs	-1,106	-323
Total	529,634	401,177

Figures in thousands of EUR

	30/06/2019	31/12/2018
Non-current financial debts (excl. interest) Breakdown according to maturity		
Between one and two years	56,690	0
Between two and five years	272,608	306,260
More than five years	200,336	94,917
Total	529,634	401,177

Figures in thousands of EUR

	30/06/2019	31/12/2018
Unused loans		
Due within one year		18,500
Due after one year	120,000	0
Total	120,000	18,500

All financial debts have no underlying collateral.

Most financial debts have a variable interest rate. A total of KEUR 405,000 in financing is hedged with IRS contracts. This means that 76% of all outstanding financing is hedged with IRS contracts. There are also fixed interest rate loans.

Figures in thousands of EUR

	30/06/2019	31/12/2018
Estimated future interest charges		
Within one year	2,645	5,221
Between one and five years	18,544	15,679
More than five years	4,164	2,533
Total	25,353	23,433

Figures in thousands of EUR

	30/06/2019	31/12/2018
Liquidity liability on maturity dates associated with the hedging instruments		
Within one year	1,179	2,194
Between one and five years	9,433	8,776
More than five years	4,541	4,261
Total	15,153	15,231

The estimate of interest expenses takes into account the debt position as at 30 June 2019.

5.9.9 FINANCIAL ASSETS AND LIABILITIES

Figures in thousands of EUR

Summary of financial assets and liabilities	30/06/2019	30/06/2019	31/12/2018	31/12/2018	Level
	Carrying amount	Fair value	Carrying amount	Fair value	
Assets					
Financial fixed assets	7,791	7,791	7,941	7,941	
Financial fixed assets	21	21	21	21	Level 2
Trade receivables and other fixed assets	135	135	135	135	Level 2
Deferred taxes – assets	304	304	460	460	Level 2
Participating interests in associated companies and joint ventures	7,331	7,331	7,325	7,325	Level 2
Financial current assets	36,237	36,237	37,120	37,120	
Trade receivables	1,446	1,446	1,218	1,218	Level 2
Tax receivables and other current assets	32,281	32,281	34,225	34,225	Level 2
Cash and cash equivalents	2,510	2,510	1,677	1,677	Level 1
Total financial assets	44,028	44,028	45,061	45,061	
Liabilities					
Non-current financial liabilities	545,856	545,872	407,494	407,471	
Non-current financial liabilities	528,794	528,810	401,177	401,154	Level 2
Financial derivatives	17,062	17,062	6,317	6,317	Level 2
Current financial liabilities	30,748	30,748	23,799	23,799	
Current financial liabilities	2,566	2,566	1,637	1,637	Level 2
Trade debts and other current liabilities	15,847	15,847	8,899	8,899	Level 2
Other current liabilities	12,335	12,335	13,263	13,263	Level 2
Total financial liabilities	576,604	576,620	431,293	431,270	

Trade debts and payables are recorded at amortised cost. The above are all assets for which the change in Fair Value is booked via the result.

5.9.10 TRANSACTIONS WITH RELATED PARTIES

Figures in thousands of EUR

	30/06/2019	30/06/2018
Transactions with related parties		
Management remuneration	360	405
Remuneration of independent directors	21	21
Total	381	426

Figures in thousands of EUR

	30/06/2019	31/12/2018
Receivables from the Promoter	1,735	1,723

The related parties the Company associates with are its subsidiaries and its directors and executives. Transactions with the subsidiaries are eliminated in the consolidation.

The remuneration for directors and executives is included under the item 'General company expenses'.

As at 30 June 2019, Xior Student Housing NV had KEUR 1,735 in receivables from Aloxe, the Company's promoter. 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 2019.

5.9.11 EVENTS AFTER THE BALANCE SHEET DATE

We refer to 2.3.1.5 of *this Half-Yearly Report* for the 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 2019:

Name	Country	Share in the capital
Companies fully included in the consolidation		
Stubis BVBA	Belgium	100%
Stratos KVK NV	Belgium	100%
Project STU – Naritaweg BV	The Netherlands	100%
Woonfront – Rotsoord BV	The Netherlands	100%
All-In Annadal BV	The Netherlands	100%
Stubis NL BVBA	The Netherlands	100%
Leeuwarden Tesselschadestraat BV	The Netherlands	100%
Xior Groningen BV	The Netherlands	100%
Xior – Karspeldreef Amsterdam BV	The Netherlands	100%
Xior Quality Student Housing SL	Spain	100%
I Love Barcelona Campus Besos	Spain	100%
Joint Venture		
Alma Student NV	Belgium	50%

5.9.13 DEBT RATIO

Figures in thousands of EUR

Consolidated debt ratio (max. 65%)	30/06/2019	31/12/2018
Total liabilities	605,465	451,733
Adjustments	-46,020	-26,758
Permitted hedging instruments	-17,062	-6,317
Deferred taxes – liabilities	-23,774	-16,709
Accruals and deferred payments	-5,184	-3,731
Total debts according to the Royal Decree of 13 July 2014	559,445	424,975
Total assets	1,027,937	861,752
Adjustments	0	0
Total assets according to the Royal Decree of 13 July 2014	1,027,937	861,752
Debt ratio (in %)	54.42%	49.32%

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 2019, the consolidated debt ratio of Xior Student Housing NV was 54.42% compared to 49.24% as at 31 March 2019. 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 2018 Annual Report and the Securities Note of June 2018).

Based on the debt ratio of 54.42% as at 30 June 2019, Xior Student Housing NV still has additional investment potential of approximately EUR 310 million without exceeding the maximum debt ratio of 65%. With a current committed pipeline (2019) worth approximately EUR 37 million and approximately EUR 32 million (H1 2020), this is therefore significantly below the legal limit of 65%. There is still room for about EUR 72 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 2019, the maximum debt ratio of 65% would only be exceeded if the value of the property portfolio were to fall by approximately EUR 165 million, which is about 17% of the property portfolio of EUR 982 million as at 30 June 2019.

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 2019 / 2020, Xior Student Housing NV is expecting a debt ratio of around 57% compared with 54.42% as at 30 June 2019, 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 2019 / 2020 and the dividend payment for the financial year of 2019
- 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 2018 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 and 2019. 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. More specifically, the company received a rental guarantee for the properties on Spoorstraat and Kwietheuvel in Venlo, Utrecht Willem Dreeslaan in Utrecht, Antonia Veerstraat in Delft, Waldorpstraat in The Hague, Naritaweg / Barajasweg and Karspeldreef in Amsterdam, Rotsoord in Utrecht, Brouwersweg in Maastricht and Duivendaal in Wageningen.

Reference is also made to the press releases of 29 November 2017 and 13 March 2019, which announce the Company's joint venture agreements for a development in Zaventem and for two developments in Portugal, one in Porto and one in Lisbon.

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 2019

Introduction

We have reviewed the condensed consolidated interim figures of Xior Student Housing NV and its subsidiaries as of 30 June 2019, 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 2019 is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Sint-Stevens-Woluwe, 1 August 2019

The statutory auditor
PwC Reviseurs d'Entreprises scrl / Bedrijfsrevisoren cvba

Represented by

Damien Walgrave
Réviseur d'Entreprises / Bedrijfsrevisor

5.9.16 STATEMENT WITH THE HALF-YEARLY FINANCIAL REPORT

In accordance with Article 13, Section 2, 3° of the Royal Decree of 14 November 2007, the Board of Directors of Xior Student Housing NV¹⁸ 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

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 can 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 declines any obligation or guarantee to publicly update or review forward-looking statements unless it is required to do so by law.

¹⁸The Board of Directors consists of Leen Van den Neste, Joost Uwents, Wilfried Neven, Wouter De Maeseneire, Christian Teunissen and Frederik Snauwaert.



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ANTWERP



100 8 Hoogstraat

100 8 Hoogstraat



Hoogstraat
GENT



06

Identity card

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



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Xior Student Housing NV
Public RREC under Belgian law (BE-REIT)
Mechelsesteenweg 34, bus 108, 2018 Antwerp (Belgium)

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