Oosterweg
WAGENINGEN

> Note: this is an extract of Chapter 10 of the Consolidated Annual Financial Report that will be published on 20 April 2021.

10 FINANCIAL REPORT

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10.1 CONSOLIDATED INCOME STATEMENT

		Figures in thousands of EUR	Note	31/12/2020	31/12/2019
I	(+)	Rental income		58,434	45,056
	(+)	Rental income		56,805	41,347
	(+)	Rental guarantees		2,296	3,979
	(+/-)	Rent reductions		-666	-270
III	(+/-)	Rent-related expenses		-539	-125
		Impairments of trade receivables		-539	-125
		NET RENTAL INCOME	**10.9.1**	**57,896**	**44,931**
V	(+)	Recovery of rental charges and taxes normally payable by the tenants for let properties		10,914	8,193
		Transmission of rental charges borne by the proprietor		10,820	8,055
		Calculation of withholding tax and taxes on let properties		94	138
VII	(-)	Rental charges and taxes normally payable by the tenants for let properties		-12,781	-9,012
		Rental charges borne by the proprietor		-12,668	-8,869
		Withholding tax and taxes on let properties		-114	-143
VIII	(+/-)	Other rent-related income and expenditure		2,429	1,395
		PROPERTY RESULT	**10.9.1**	**58,457**	**45,508**
IX	(-)	Technical costs		-2,409	-1,538
		Recurring technical costs		-2,429	-1,621
	(-)	Maintenance		-1,970	-1,282
	(-)	Insurance premiums		-459	-339
		Non-recurring technical costs		20	83
	(-)	Loss/damage cases		20	83
X	(-)	Commercial costs		-398	-390
	(-)	Advertising		-320	-334
	(-)	Lawyers' fees and legal costs		-79	-56
XI	(-)	Costs and taxes for non-let properties		-655	-423
XII	(-)	Property management costs		-2,556	-2,946
	(-)	External management costs		0	-768
	(-)	Internal management costs		-2,556	-2,178
XIII	(-)	Other property charges		-2,025	-1,697
	(-)	Architects' fees		0	-4
	(-)	Valuation expert fees		-589	-312
	(-)	Other		-1,436	-1,381
		PROPERTY CHARGES	**10.9.2**	**-8,043**	**-6,994**
		PROPERTY OPERATING RESULT		**50,414**	**38,515**
XIV	(-)	General company expenses	10.9.3	-5,996	-3,500
XV	(+/-)	Other operating income and expenses	10.9.4	53	54
		OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**44,471**	**35,069**
XVI	(+/-)	Result from the sale of investment properties	10.9.5		
	(+)	*Net property sales (sales price – transaction fees)*			
	(-)	*Book value of sold property*			
XVIII	(+/-)	Variations in the fair value of investment property	10.9.5	-50,448	17,982
	(+)	*Positive variations in the fair value of investment property*		11,664	25,820
	(-)	*Negative variations in the fair value of investment property*		-62,112	-7,839
XIX	(+/-)	Other portfolio result	10.9.5	-15,782	-22,005
		OPERATING RESULT		**-21,759**	**31,046**
XX	(+)	Financial income		722	261
	(+)	*Interest and dividends collected*		722	261
XXI	(-)	Net interest costs		-7,324	-7,478
	(-)	*Nominal interest paid on loans*		-4,197	-4,720
	(-)	*Breakdown of nominal amount of financial debt*		-337	-218
	(-)	*Costs of permitted hedging instruments*		-2,791	-2,540
		Permitted hedging instruments not subject to hedging accounting as defined by the IFRS		-2,791	-2,540
XXII	(-)	Other financial costs		-1,009	-404
	(-)	*Bank costs and other commissions*		-869	-378
	(-)	*Other*		-139	-26
XXIII	(+/-)	Variations in the fair value of financial assets and liabilities		-8,837	-9,150
		Permitted hedging instruments not subject to hedging accounting as defined by the IFRS		-8,837	-9,150
		Other			
		FINANCIAL RESULT	**10.9.6**	**-16,449**	**-16,771**
XXIV		Share in the result of associated companies and joint ventures		-676	-1,398
		RESULT BEFORE TAXES		**-38,884**	**12,877**
XXV	(+/-)	Corporate tax		-2,912	-5,093
XXVI	(+/-)	Exit tax		23	-124
		TAXES	**10.9.7**	**-2,889**	**-5,218**
		NET RESULT		**-41,773**	**7,659**

Earnings per share	31/12/2020	31/12/2019
Number of ordinary shares in circulation	21,046,441	19,133,129
Weighted average number of shares	19,560,351	14,996,135
Net result per ordinary share (in EUR)	-2.14	0.51
Diluted net result per ordinary share (in EUR)	-2.14	0.51
EPRA earnings per share (in EUR)	**1.74**	**1.61**
EPRA earnings per share (EUR) - share of the group	**1.70**	**1.60**

The earnings per share were calculated based on the weighted average number of shares in circulation during the financial year 2020.

10.2 CONSOLIDATED COMPREHENSIVE RESULT

	Figures in thousands of EUR	31/12/2020	31/12/2019
Net result		**-41,773**	**7,659**
Other components of the comprehensive result			
(+/-)	Impact on the fair value of estimated transaction costs and costs resulting from hypothetical disposal of investment properties	0	0
(+/-)	Variations in the effective part of the fair value of permitted cash flow hedging instruments	0	0
Comprehensive result		**-41,773**	**7,659**
Attributable to:			
Minority interests		228	127
Group shareholders		-42,001	7,532

10.3 CONSOLIDATED BALANCE SHEET

Assets		Figures in thousands of EUR	Note	31/12/2020	31/12/2019
I		**Fixed Assets**		**1,565,384**	**1,255,584**
	A	Goodwill			
	B	Intangible fixed assets		145	52
	C	Investment property	10.9.8	1,555,779	1,190,791
		Property available to let		1,410,782	1,111,685
		Property developments		144,998	79,106
	D	Other tangible fixed assets	10.9.9	971	851
		Tangible fixed assets for own use		971	851
		Other			
	E	Financial fixed assets	10.9.10	4,166	25
		Assets held until maturity		4,000	0
		Other		166	25
	F	Financial leasing receivables			
	G	Trade receivables and other fixed assets	10.9.11	135	135
	H	Deferred taxes – assets		1,013	96
	I	Participating interests in associated companies and joint ventures with equity movements	10.9.12	3,175	63,635
II		**Current assets**		**54,932**	**20,945**
	D	Trade receivables	10.9.13	4,887	1,163
	E	Tax receivables and other current assets	10.9.14	34,394	13,410
		Taxes		2,912	714
		Other		31,482	12,696
	F	Cash and cash equivalents	10.9.15	9,911	4,269
	G	Accruals and deferred payments	10.9.16	5,741	2,103
		Prepaid property charges		1,845	1,247
		Accrued rental income not due		259	36
		Other		3,638	820
Total assets				**1,620,316**	**1,276,529**

Liabilities		Figures in thousands of EUR	Note	31/12/2020	31/12/2019
Equity			**10.4**	**659,503**	**625,808**
I		**Equity attributable to parent company shareholders**		**641,194**	**610,428**
	A	Capital	10.9.17	375,441	342,125
		Issued capital		378,836	344,396
		Capital increase costs		-3,395	-2,271
	B	Issue premiums	10.9.17	338,065	276,441
	C	Reserves	10.4	-30,310	-16,108
		Statutory reserves			
		Reserve for the balance of variations in the fair value of property		43,861	29,530
		Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property		-25,292	-22,072
		Reserve for the balance of the variations in the fair value of permitted hedging instruments not subject to hedging accounting as defined in the IFRS		-15,467	-8,184
		Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method		-1,962	0
		Unavailable reserve: reserve for foreseeable losses			
		Other reserves			
		Retained earnings from previous financial years		-31,449	-15,382
	D	Net result for the financial year		-42,001	7,969
II		**Minority interests**		**18,309**	**15,381**
Liabilities				**960,813**	**650,720**
I		**Non-current liabilities**		**834,196**	**582,035**
	A	Provisions			
		Pensions			
		Other			
	B	Non-current financial debts	10.9.23	733,182	500,425
		a Credit institutions		621,392	500,425
		b Financial leasing		2,513	0
		c Other		109,277	0
	C	Other non-current financial liabilities	10.9.20	26,530	15,467
		Permitted hedging instruments		26,530	15,467
	E	Other non-current liabilities	10.9.21	23,333	19,329
	F	Deferred taxes – liabilities	10.9.22	51,150	46,813
		a Exit tax		3,335	0
		b Other		47,815	46,813
II		**Current liabilities**		**126,618**	**68,685**
	B	Current financial liabilities		90,309	1,706
		a. Credit institution		90,309	1,706
	D	Trade debts and other current liabilities	10.9.24	15,186	10,806
		Exit tax		-108	206
		Other		15,294	10,600
		Suppliers		10,594	5,657
		Tenants		663	686
		Taxes, salaries and social security contributions		4,036	4,257
	E	Other current liabilities	10.9.25	15,846	50,906
		Other		15,846	50,906
	F	Accruals and deferred payments	10.9.26	5,277	5,266
		Deferred property income		490	1,176
		Accrued interest not due and other costs		1,794	2,083
		Other		2,993	2,007
Total equity and liabilities				**1,620,316**	**1,276,529**

10.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in thousands of EUR	Capital	Issue premiums	Reserves	Net result of the financial year	Minority interests	Equity
Balance as at 31 December 2018	**245,672**	**147,239**	**1,003**	**16,105**	**0**	**410,019**
Net appropriation of income 2018						
Transfer of result on the portfolio to reserves			7,190	-7,190		0
Transfer of operating result to reserves			2,289	-2,289		0
Result for the period				7,659		7,659
Other elements recognised in the comprehensive result						
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property						
Variations in the fair value of financial assets and liabilities			-7,259	7,259		0
Issue of new shares	211,761					211,761
Capital increase through non-cash contribution	17,997					17,997
Costs of issuing new shares and of capital increase	-104	-4,000				-4,104
Partial allocation of capital to issue premiums	-133,201	133,201				0
Put option for minority interests			-19,329			-19,329
Dividends				-13,887		-13,887
Other reserves				309	15,382	15,382
Balance as at 31 December 2019	**342,125**	**276,440**	**-16,108**	**7,968**	**15,382**	**625,808**
Net appropriation of income 2019						
Transfer of result on the portfolio to reserves			-11,110	11,110		0
Transfer of operating result to reserves			-7,930	7,930		0
Result for the period				-42,001	228	-41,773
Other elements recognised in the comprehensive result						
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property						
Variations in the fair value of financial assets and liabilities			7,284	-7,284		0
Issue of new shares	54,681					54,681
Capital increase through non-cash contribution	41,383					41,383
Costs of issuing new shares and of capital increase	-1,124					-1,124
Partial allocation of capital to issue premiums	-61,624	61,624				0
Put option for minority interests			-2,481			-2,481
Dividends				-19,495		-19,495
Other reserves			35	-229		-194
Entry into capital XL Fund - minority interests					2,700	2,700
Balance as at 31 December 2020	**375,441**	**338,064**	**-30,310**	**-42,001**	**18,309**	**659,503**

Figures in thousands of EUR

Detail of reserves	Reserve for the balance of variations in the fair value of property	Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	Reserve for the balance of the changes in the Fair Value of permitted hedging instruments that are not subject to hedging accounting as defined in the IFRS	Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method	Other reserves	Retained earnings from previous financial years	Total of the reserves
Balance sheet as at 31 December 2018	**19,333**	**-19,064**	**-924**	**0**	**0**	**1,658**	**1,003**
Net appropriation of income						16,105	16,105
Transfer of result on the portfolio to reserves	10,197	-3,007				-7,190	0
Transfer of operating result to reserves							
Other elements recognised in the comprehensive result							
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property							
Variations in the fair value of financial assets and liabilities			-7,259			7,259	0
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						-13,887	-13,887
Other						-19,329	-19,329
Balance sheet as at 31 December 2019	**29,530**	**-22,071**	**-8,183**	**0**	**0**	**-15,382**	**-16,108**
Net appropriation of income						7,659	7,659
Transfer of result on the portfolio to reserves	14,331	-3,221				-11,110	0
Transfer of operating result to reserves							
Other elements recognised in the comprehensive result							
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property							
Variations in the fair value of financial assets and liabilities			-7,284			7,284	0
Issue of new shares							
Capital increase through non-cash contribution							
Costs of issuing new shares and of capital increase							
Dividends						-19,495	-19,495
Other						-2,365	-2,365
Transfer to new reserve account				-1,962		1,962	0
Balance sheet as at 31 December 2020	**43,861**	**-25,292**	**-15,467**	**-1,962**	**0**	**-31,449**	**-30,310**

10.5 CONSOLIDATED CASH FLOW STATEMENT

in thousands of EUR	31/12/2020	31/12/2019
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	**4,269**	**1,677**
1. Cash flow from operating activities	**3,292**	**-45,813**
Cash flow relating to operations	-39,826	20,533
Operating result	-21,760	31,045
Interest paid	-12,388	-8,047
Interest received		
Corporate taxes paid	-5,678	-2,465
Non-cash elements added to/subtracted from the result	**70,614**	**-5,285**
* Amortisations and depreciations	191	169
Amortisation/depreciation/impairments (or writebacks) on tangible and intangible assets	191	169
* Other non-cash elements	70,423	-5,454
Variations in the fair value of the investment property	60,593	-3,324
Other non-cash elements	9,959	-2,130
Change in working capital requirements[1]:	**-27,496**	**-61,061**
* Movement of assets:	--25,744	-29,483
Trade receivables and other receivables	-1,942	168
Tax receivables and other current assets	-20,927	-28,865
Accruals and deferred payments	-2,876	-786
* Movement of liabilities:	-1,751	-31,578
Trade debts and other current liabilities	2,260	-33,387
Other current liabilities	-3,294	3,938
Accruals and deferred payments	-717	-2,129
2. Cash flow from investment activities	**-282,360**	**-252,915**
Acquisition of investment property and property developments	-185,048	-59,700
Sale of investment property		
Purchase of shares in real estate companies(1)	-96,907	-170,592
Sale of shares in real estate companies		
Acquisition of other tangible assets	-282	-305
Acquisition of non-current financial fixed assets	-123	-22,318
Receivables on trade and other non-current assets		
Assets held for sale		
3. Cash flow from financing activities	**281,624**	**297,729**
* Change in financial liabilities and financial debts		
Increase in financial debts	257,805	190,577
Decrease in financial debts	-1,940	-102,000
Repayment of shareholder loans		
*Change in other liabilities		
Increase (+)/decrease (-) in other liabilities	-8,436	15,381
Increase (+)/decrease (-) in other debts		
Increase in minority interests	132	
* Change in equity		
Increase (+)/decrease (-) in capital/issue premiums	54,681	201,681
Other		
Costs for the issue of shares	-1,124	-104
* Dividend		
Dividend for the previous financial year (-)	-19,495	-7,806
Increase in cash following mergers/acquisitions	3,087	3,590
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**9,911**	**4,269**

(1) This concerns the price paid for shares in the various real estate companies acquired. This price does not correspond to the price of the property as the companies were partially financed with loans.

[1] The movement in working capital cannot be linked to the movement on the balance sheet as this has been corrected for the impact of the acquisitions throughout the year. For an overview of acquired assets and liabilities, see note 10.9.30.2.

10.6 NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

10.6.1 GENERAL CORPORATE INFORMATION

Xior Student Housing NV is a public Regulated Real Estate Company (RREC) that is subject to the application of Belgian law and has its registered office in Antwerp.

The Company's consolidated annual financial statements for the financial year closing on 31 December 2020 include Xior Student Housing NV and its subsidiaries (the '**Group**'). The Board of Directors approved the annual financial statements for publication. They will be submitted to the annual general meeting on 20 May 2021.

10.6.2 IMPORTANT FINANCIAL REPORTING PRINCIPLES

Statement of conformity

The Company's financial reporting has been drawn up in accordance with the IFRS, as approved within the European Union, and the provisions of the Royal Decree on Regulated Real Estate Companies.

These standards include all new and revised standards and interpretations published by the *International Accounting Standards Board* ("**IASB**") and the *International Financial Reporting Interpretations Committee* ("**IFRIC**"), insofar as these apply to the Company's activity and effectively to the current financial year.

Standards and interpretations applicable for the financial year beginning on or after 1 January 2020

- IAS 1 and IAS 8 *Definition of material*
- IFRS 3 *Business combinations: Definition of a company*
- IFRS 9, IAS 39 and IFRS 7 *Interest rate benchmark reform – phase 1*
- Amendments to the references to the Conceptual Framework in IFRS standard

Standards and interpretations issued but not yet applicable to the annual period starting on 1 January 2020

- Amendments to IAS 1 *Presentation of financial statements: classification of liabilities as current or non-current* (applicable to annual periods beginning on or after 1 January 2023, but not yet approved within the European Union)
- Amendments to IFRS 3 *Business Combinations: reference to the conceptual framework* (applicable to annual periods beginning on or after 1 January 2022, but not yet approved within the European Union)
- Amendments to IFRS 4 *Insurance contracts – deferral of IFRS 9* (applicable to annual periods beginning on or after 1 January 2021, but not yet approved within the European Union)
- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 *Interest rate Benchmark reform – Phase 2* (applicable to annual periods beginning on or after 1 January 2021 but not yet approved within the European Union)
- Amendments to IAS 16 *Tangible fixed assets: income obtained for its intended use* (applicable to annual periods beginning on or after 1 January 2022 but not yet approved within the European Union)
- Amendments to IFRS 16 *Leases: COVID-19-related rental concessions* (applicable to annual periods beginning on or after 1 June 2020)
- IFRS 17 *Insurance contracts* (applicable to annual periods beginning on or after 1 January 2023, but not yet approved within the European Union)
- Amendments to IAS 37 *Provisions, contingent liabilities and contingent assets: onerous contracts – cost to comply with the contract* (applicable to annual periods beginning on or after 1 January 2022 but not yet approved within the European Union)
- Annual improvements to the *2018-2020* cycle (applicable to annual periods starting on or after 1 January 2022 but not yet approved within the European Union)

The Company does not expect that the first application of these standards and interpretations, except IFRS 3 Revised, will have a material impact on the financial position and performances.

With the entry into force of IFRS 3 Revised, the option to apply IFRS 3 for Investment Property packaged in '*corporate wrapper'* (via a share transaction) lapses. Therefore, IAS 12§15 (b) should also be applied whereby the "purchased" deferred taxes should not be recognised. These do give rise to a contingent liability, which is explained further in the annual report.

10.6.3 ACCOUNTING PRINCIPLES

The financial information is drawn up in thousands of euros, rounded off to the closest thousand. The Company also keeps its books in euros. Investment property (including projects) and hedging instruments are recognised at fair value. The other items in the consolidated financial statements are recorded based on historical cost. Please find below a summary of the main financial reporting principles.

10.6.4 SIGNIFICANT ACCOUNTING ESTIMATES AND KEY UNCERTAINTIES

Significant estimates in drawing up of the financial statements

- When control is taken over an entity holding investment property, it is determined whether such an acquisition is considered a business combination. In all cases the respective transactions were processed as direct purchases of assets (also when shares in real estate companies are acquired) and IFRS 3 Business Combinations was not applied (see note 10.6.6). IFRS 3 Revised was applied from the financial year beginning on 1 January 2020 (see note 10.6.2).
- It is determined whether derivative assets and liabilities qualify for hedge accounting. The Company has no hedging instruments qualifying as hedge accounting and the evolutions in the hedging instruments' fair value are therefore processed in the income statement.

Determining the fair value of investment property

The fair value of the investment property is determined by independent valuation experts in accordance with the Legislation on Regulated Real Estate Companies. The fair value is calculated by the valuation experts using the discounted cash flow (for more information, see *Chapter 8.2.4.1 of the Annual Report*).

10.6.5 PRINCIPLE FOR CONSOLIDATION

The companies acquired during the last financial year were not processed as business combinations as defined under IFRS 3, but as the purchase of assets, since we only acquired the assets and in certain cases the tenancy agreement and then fully integrated these into our organisation.

(i) Subsidiaries

- Subsidiaries are entities over which the undertaking exercises control. An undertaking therefore exercises control over a subsidiary if, and only if, the parent undertaking:
- Has power over the holding;

- Is exposed to, and has rights to variable returns, by reason of its involvement in the holding; and
- Is able to use its power over the holding to influence the size of the investor's return

Minority interests are the interests in subsidiaries that are not held directly or indirectly by the Group.

Changes to the Company's interest in a subsidiary that do not lead to a loss of control are dealt with as equity transactions. The carrying amount of the Group's interest and the minority interests are therefore adapted to reflect the new proportional interests in the subsidiary.

If the Company loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the sum of the fair value of the payment received and the fair value of the interest held, and (ii) the previously recognised carrying amount of the assets (including goodwill), the liabilities of the subsidiary and any minority interests. Amounts that would previously be recognised in the other elements of the total result relating to the subsidiary are recognised in the same manner (reclassification to profit or loss or directly to the retained earnings) as when the disposal of the relevant assets or liabilities occurred. The fair value of any interest retained in the former subsidiary at the date of loss of control is regarded as the fair value on initial recognition for measurement in accordance with IAS 39 *Financial Instruments: recognition and measurement or*, when applicable, as the cost on initial recognition of an associate or jointly controlled entity.

(ii) Joint ventures

Joint ventures have been established by contractual agreement as companies over which the group has joint control. Such joint control applies when the strategic, financial and operational decisions regarding the activity require unanimous consent from the parties sharing control (the participants in the joint venture). As defined in IFRS 11 Joint agreements, the results and the balance sheet impact of joint ventures (Promgranjo U.hub and Invest Drève Saint Pierre), of which Xior holds 50%, are processed according to the equity method.

(iii) Transactions eliminated from the consolidation

All transactions between group undertakings, balances and unrealised gains and losses on their transactions are eliminated when the consolidated annual financial statements are prepared.

10.6.6 BUSINESS COMBINATIONS AND GOODWILL

If the Group acquires control over an integrated set of activities and assets, as defined in IFRS 3 *Business combinations*, the identifiable assets, liabilities and conditional liabilities of the acquired undertaking are recognised at their fair value on the acquisition date. The goodwill represents the positive difference between the total of the transferred payment, the amount of the minority interests and, if applicable, the fair value of the previously held interest in the acquired party and the Group's share in the fair value of the net identifiable assets. If this difference is negative (negative goodwill), it is immediately posted to the result after a reassessment of the assets.

After its initial recognition, goodwill is not amortised, but subject to an impairment test that is performed each year with the cash-generating units to which the goodwill was allocated. If the carrying amount of the cash-generating unit exceeds the present value of the Company, the ensuing loss in value will be posted to the result and initially recognised to reduce any goodwill and then to the other assets of the unit, in proportion to their carrying amount.

A goodwill impairment is not resumed during a subsequent financial year.

10.6.7 INVESTMENT PROPERTY

(i) General

Properties that are held for long-term rental income, for their appreciation in value or for both reasons, and that do not serve for the Company's own use, are recorded as an investment property.

Property that is built or developed for future use as an investment property (property development) is also recognised under the item Investment property (see also below).

(ii) Valuation on initial recognition

Investment property includes all property that is ready for letting and that fully or partially generates rental income. Investment property is valued at the time of purchase at the acquisition value, including additional transaction fees such as professional fees, statutory services, registration duties, other transfer taxes and non-deductible VAT. If the property is acquired via a share transaction, the acquisition price also includes an adjustment for exit tax, which is due by the companies over which the Company acquires direct or indirect control (this is deducted, in principle, from the value of the underlying property since it is a tax on the latent added value that existed in the acquired company before the acquisition of control), unless these companies are not eligible for a merger with the Company (based on a resolution by the Company's Board of Directors). Commissions relating to the purchase of properties are regarded as additional costs of those purchases and are added to the acquisition value.

If the property is obtained by acquiring the shares of a real estate company, through the contribution in kind of property against the issue of new shares, or through a merger by acquisition of a real estate company, the notarial charges, audit and consulting, merger and other costs are also capitalised.

The property also includes the permanent furnishings and fittings of the student rooms if these are let on a furnished basis.

(iii) Valuation after initial recognition

After their initial recognition, the investment properties are appraised by the Valuation Expert.

The Valuation Expert precisely appraises the following components at the end of each quarter:

- The properties, the properties by designated use and the real rights to properties that are held by the Company or, where applicable, by a real estate company over which it has control;

The Valuation Expert first determines the investment value of the property, which includes the transfer costs. The registration duties are not deducted from the property value. This valuation is obtained by discounting the actual rental income and/or market rentals (DCF method – for more information see ***Chapter 8.2.4.1 of the Annual Report***), where applicable after deducting the associated costs. The discounting is done on the basis of the *yield* factor that depends on the inherent risk of the specific property. The Valuation Expert appraises the property in accordance with national and international valuation standards and their application procedures, including in relation to the valuation of a regulated real estate company.

The investment property is then recognised in the balance sheet at the Fair Value, in accordance with IAS 40. The Fair value of the investment properties is the investment value, as determined by an independent valuation expert, minus the transaction fees. The Fair Value corresponds to the carrying amount under IFRS. From the seller's perspective, this must be understood as subject to the deduction of transfer taxes or registration duties. The estimated amount of transfer taxes for properties located in Belgium was fixed at 2.5% for investment property with a value in excess of EUR 2.5 million.[2] Transfer taxes of 10% (Flanders) to 12.5% (Brussels and Wallonia), depending on the region in which the buildings are located must be taken into account for transactions with a global value of less than EUR 2.5 million.

[2] Belgian Assets Managers Association (BEAMA) press release of 8 February 2006 'Closed-end property investment companies and the first application of the IFRS accounting rules'. This percentage was confirmed in a press release of the BE-REIT Association on 10 November 2016..

This specifically means that the Fair Value of the property is equal to the investment value divided by 1.025, 1.10 or 1.125, depending on the value and location of the property. The difference between the Fair Value of the property and its Investment Value is recognised in the income statement under Variations in the Fair Value of investment property and allocated in the appropriation of the income to the item *"Reserve for the impact on the Fair Value of the estimated transaction costs and costs resulting from hypothetical disposal of investment properties"* in the equity.

The independent valuation experts take the theoretical local registration duties into account for buildings located outside Belgium.

Registration taxes applicable per country

The Netherlands	8 %[3]
Spain	2.5 %
Portugal	2.5 %

Profits or losses arising from changes in the Fair Value of an investment property are recognised in the income statement in the period in which they arise and are allocated in the profit appropriation to the '*Reserve for the balance of the changes in the Fair Value of property*'.

10.6.8 PROPERTY DEVELOPMENTS

Property developments include land and buildings in progress as a result of which these only require investments and do not generate any rental income for a certain period.

Properties that are built or developed for future use as an investment property are recognised in the subitem 'Project developments' of the item 'Investment property' and, in accordance with IAS 40, are appraised at their Fair Value until the development is completed. The assets are then transferred to the subitem *'Property available for letting' of the item 'Investment property'*, still at their Fair Value.

After their initial recognition, the projects are appraised at their Fair Value if all the following criteria are met: (i) the project costs to be incurred can be reliably estimated and (ii) all necessary permits for the property development have been obtained. This Fair Value measurement is based on the valuation by the Valuation Expert (according to the normal methods and assumptions) and takes the costs (including a contingency estimate) still to be incurred for the completion of the project into consideration.

All costs directly related to the purchase or development and all subsequent investments that are recognised as transaction fees (costs of new buildings and/or renovations, including the purchase price of the site and site preparation) are recognised in the balance sheet.

The interest costs that can be directly attributed to the project are also capitalised as part of the cost price of the property development.

The capitalisation of financing costs, in accordance with IAS 23, as part of the cost price of an eligible asset only happens if:

- expenses are incurred for the asset;
- financing costs are incurred; and
- activities are in progress to prepare the asset for its intended use.

The capitalisation of the financing costs will be suspended for long periods during which the development of the asset is interrupted and stopped in any case when the asset is ready for letting.

The item "*Project developments*" is a subitem of the item *"Investment property"* and is included in the calculation of the Fair Value of the property portfolio in operation.

[3] This is the new percentage of transfer taxes applicable from 1/1/2021 in the Netherlands to residential property

10.6.9 EXPENSES FOR WORKS TO INVESTMENT PROPERTY

Expenses for works to investment property are deducted from the property operating result if the expenses do not have any positive effect on the expected future economic benefits, and are capitalised if the expected economic benefits that accrue to the entity increase as a result. There are three types of expenses:

- Costs of structural and occasional maintenance, repairs and refurbishments on existing furnishings and furniture, including the internal staff costs of the employees who carry out these repairs: these are charged to the operating property result and are included under the item 'Technical costs';
- New investments and replacement investments in furnishings and fittings: these costs are capitalised and added to the Fair Value of the real estate property to the extent that the student rooms are let on a furnished basis and the new investments and replacement investments lead to an increase in rental levels. To the extent that the new furnishings and fittings lead to the maintenance of the rental income, the costs of new investments and replacement investments are deducted from the property operating result. The costs relate to materials and internal staffing costs, where applicable.
- Costs for major renovations and improvements: renovations are occasional works that add a function to the building or significantly increase the existing comfort level and thus imply an increase in the rent and/or rental value. These costs are capitalised and thus added to the Fair Value of the real estate property. These costs relate to materials, fees, construction work and internal staffing costs. In accordance with IAS 23, borrowing costs incurred specifically for these renovations are also capitalised and, therefore, added to the Fair Value of the investment property to the extent that the building in question does not generate any income during this period. Real estate withholding taxes, levies and other property charges relating to the building undergoing this renovation are also processed in this way, as long as the building does not generate any income. The Valuation Expert deducts the value of work still to be completed from the appraisal. On completion, these costs are capitalised and added to the Fair Value of the real estate property.

10.6.10 DISPOSAL OF AN INVESTMENT PROPERTY

Profits or losses made on the sale of an investment property (compared with the Fair Value) are recorded in the income statement of the reporting period under the item 'Income from the sale of investment property'. As the property is sold, both the *'Reserve for the balance of the changes in the Fair Value of property'* and the *'Reserve for the impact of the Fair Value of the estimated transaction costs and costs resulting from hypothetical disposal of investment properties'* in relation to the sold property are transferred to available reserves.

Commissions paid on the sale of buildings, transaction fees and liabilities entered into as a result of transactions are deducted

10.6.11 OTHER TANGIBLE FIXED ASSETS

The tangible fixed assets, other than the investment property, are classified as '*other tangible fixed assets'* and are appraised at their acquisition value, less the accumulated depreciation and impairments. The straight-line depreciation method is applied on the basis of the expected useful life.

In the financial year in which the investment is made, depreciation is recorded on a time-apportioned basis according to the number of months that the asset was in use.

The following depreciation rates apply on an annual basis:

- Plant, machinery and equipment: 20%
- Furniture: 10%
- Vehicles: 20%
- IT equipment: 33%

The expected useful life and amortisation method are reviewed at least annually at the end of the financial year. If there are indications that an asset has possibly undergone a special impairment loss, the carrying amount will be compared with the realisable value. If the carrying amount is higher than the realisable value, a special impairment loss will be recorded.

When tangible fixed assets, other than investment property, are sold or taken out of service, the acquisition value and the related depreciation are removed from the balance sheet and the realised gains or losses are recorded in the income statement.

Expenditure on work on other tangible fixed assets is treated in the same way as expenditure on work on investment property.

10.6.12 FIXED ASSETS OR GROUPS OF ASSETS HELD FOR SALE

Fixed assets and disposal groups are classified as assets held for sale if their carrying amount will be recovered principally through a sales transaction rather than through continuing use. This condition is only fulfilled when the sale is highly probable and the asset (or disposal group) is immediately available for sale in its current state. The management must have committed to a plan for the sale of the asset (or disposal group) which is expected to qualify for inclusion as a completed sale within one year of the classification date.

Investment property held for sale are valued in the same way as other investment property (at Fair Value) in accordance with IAS 40.

Other fixed assets held for sale are valued at the lower value of their carrying amount and their Fair Value less selling costs (in accordance with IFRS 5).

10.6.13 FINANCIAL INSTRUMENTS

The Company may use financial derivatives (*interest rate swaps*) to hedge against interest rate risks originating from operational, financial and investment activities. Financial derivative instruments are included in current and fixed financial assets if their fair values are positive and in long-term and short-term financial liabilities if their fair values are negative.

Profits or losses arising from changes in the Fair Value of financial derivatives are immediately recognised in the income statement unless a derivative complies with the conditions for *hedge accounting*. The Fair Value of financial interest rate derivatives is the amount that the Company expects to receive or pay if that derivative ends on the balance sheet date, for which purpose the applicable interest rate, the credit risk of the counterparty concerned, and the credit risk of the undertaking are taken into account.

If a hedging instrument expires or is sold, or no longer complies with the criteria of *hedge accounting*, the accumulated profits and losses are retained in the equity at first. They are recognised in the income statement only once the liability or the hedged cash flow is recognised in the income statement.

10.6.14 CURRENT ASSETS

Current receivables (due in one year or less) are valued at their nominal value, after the deduction of impairments for doubtful or uncollectable receivables.

Non-derivative financial instruments, which are held as part of a business model that aims to hold financial assets to receive contractual cash flows and contract terms of the financial asset that provide cash flows at a given time that relate only to repayments and interest payments on the outstanding principal, are measured at amortised cost. This valuation method is mainly applied to long-term receivables and trade receivables.

Special impairment: in accordance with IFRS 9, Xior is required to recognise expected credit losses on trade receivables: Xior takes a simplified approach and recognises the expected losses on all trade receivables using the provisioning matrix to calculate the lifetime expected credit losses on trade receivables as required by IFRS 9 using historical information on lost receivables adjusted for forward-looking information.

Cash and cash equivalents include cash, demand deposits and other current, very liquid investments that can be converted into cash immediately, whose amount is known, and which bear no material risk of impairment. They are measured at amortised cost and additional costs are recognised immediately in the income statement.

Listed securities are valued at their stock exchange quotation.

10.6.15 EQUITY

The capital includes the cash resources obtained at the time of incorporation, merger or because of a capital increase. The external costs (fees of notaries, placement partners and so on) that can be immediately allocated to the issue of new shares are deducted from the equity. Due diligence costs are capitalised on the asset.

Dividends form part of the retained result until the general meeting of shareholders that awards them. The dividends are then recorded as a debt.

10.6.16 PROVISIONS

A provision is made if:

- The Company has an existing – legally enforceable or factual – liability due to a past event;
- It is likely that an outflow of resources will be needed to settle the liability; and
- The amount of the liability can be reliably estimated.

The amount that is recognised as a provision is the best estimate of the expenses that are required to settle the existing liability on the balance sheet date, taking into account the risks and uncertainties associated with that liability.

For the sake of completeness, we also refer to *Chapter 10.9.36 of this Annual Report* on the legal and arbitration procedures with regard to these provisions.

10.6.17 FINANCIAL LIABILITIES

Financial liabilities are recognised on the balance sheet under current or non-current liabilities, depending on their maturity within twelve months of the closing date.

Trade debts are valued at amortised cost.

Interest-bearing loans are initially recognised at their Fair Value, after the deduction of the transaction fees. Interest-bearing loans are subsequently valued at their amortised cost on the basis of the effective interest method, with interest costs recognised according to the effective interest rate.

The effective interest method is a method for calculating the amortised cost of a financial liability and for allocating interest costs to the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts (including paid or received commissions and payments that form an integral part of the effective interest rate, as well as transaction fees and all other premiums and discounts) during the expected life of the financial liability or, if relevant, a shorter period, to the net carrying amount on initial recognition.

IFRS 16 provides a comprehensive model for the identification of lease agreements and their accounting treatment in the financial statements of both the lessor and lessee. Since becoming effective, this standard supersedes IAS 17 and the corresponding interpretations.

IFRS 16 introduces significant changes to the accounting treatment of lease agreements for the lessee, eliminating the distinction between operating and finance leases and recognising assets and liabilities for all lease agreements (with the exception of short-term leases and low-value assets). In contrast to the lessee's treatment of lease agreements, IFRS 16 retains almost all provisions from IAS 17 – Leases on the lessor's treatment of lease agreements. This means that lessors must continue to categorise the lease agreements as operational or financial lease agreements.

As a result of the XL Fund transaction, Xior has acquired two property objects to which IFRS 16 applies. For this reason, the necessary debt was included in the other long-term debts.

Options on shares are included in the balance sheet at the expected exercise price, if the price is linked to the Fair Value of the property, or to the agreed fiduciary value, if the price is fixed.

These options are recorded under long-term or short-term debt. For options on the shares of a minority shareholder, the option is recorded against equity (Debit Equity of the group).

Options on the shares of joint ventures are recorded in relation to *Participating interests in associated companies and joint ventures with equity movements*.

10.6.18 PROPERTY RESULT

The '*net rental income'* includes the rent, operational lease payments and other associated income less the costs associated with letting, such as the rent payable on hired assets and impairments on trade receivables.

Rental discounts are distributed across the minimum contract term on the income statement.

The '*recuperation of rental charges and taxes normally borne by the tenant in let buildings'* mainly includes the recuperation of the costs of heating, water, electricity and the internet by means of a lump-sum, fixed amount for costs that the tenant pays at the start of the tenancy agreement and that is recognised in the result distributed over the term of the tenancy agreement. Property tax is not passed on and remains payable by the Company in case of student housing. For Spain we work with an all-in rent price. On the basis of rental charges, part of the rent paid by the tenant is reclassified from *'net rental'* to *'recovery of rental charges'*.

The *Ø*include the communal charges as well as the cost of the property tax. In accordance with IFRIC 21, the debt and cost of the property tax is fully recognised when it becomes due by the Company (in this case, on 1 January of the financial year).

Income is valued at the Fair Value of the payment that is received and is recognised on a straight-line basis in the income statement in the period to which it relates.

10.6.19 PROPERTY CHARGES

Property charges are valued at the Fair Value of the payment that is paid or due and is recognised in the income statement in the period to which they relate.

The technical costs include structural and occasional maintenance and losses from claims covered by insurance companies. The commercial costs include estate agents' fees. Property management expenses primarily include: (i) the costs of the personnel responsible for this activity; (ii) the operational costs of the rental agencies and (iii) the fees paid to third parties.

10.6.20 GENERAL EXPENSES OF THE COMPANY AND OTHER OPERATING INCOME AND COSTS

General expenses of the Company are costs relating to the management and general operations of the Company. These include general administrative costs, staffing costs for general management, and depreciation on assets that are used for general management.

10.6.21 FINANCIAL RESULT

The financial result consists of interest costs on loans, bank charges and additional financing costs such as the changes of hedging instruments insofar as these are not effective within the meaning of IAS 39, less the returns on investments.

10.6.22 PROFIT TAX

This item includes the current tax expense on the result of the financial year and the deferred taxes. Profit tax is recorded directly in the result, unless the tax relates to elements that are recognised directly in the equity. In that case, the tax is also recognised directly in the equity. The current tax expense consists of the expected tax on the taxable income for the year and adjustments for previous financial years.

Deferred tax claims and liabilities are recognised on the basis of the balance sheet method for all temporary differences between the taxable basis and the carrying amount for both assets and liabilities. Deferred tax liabilities are included for all taxable temporary differences. Deferred tax claims are recognised to the extent it is likely that sufficient taxable profit will be realised against which temporary differences can be set off.

Besides the tax on profits, a deferred tax liability is attributed to the latent capital gain of properties. This deferred tax liability will be adjusted if the Fair Value or carrying amount of the property changes as a result of fluctuations in value or tax depreciation, for example in the Netherlands. The calculation of the applied percentage takes into account the projected gross margin on the real estate income in the Netherlands for the coming years. In Spain and Portugal, this amounts to 25% and 21% respectively.

As a result of the application of IFRS 3 Revised and linked to the 'initial recognition exemption' under IAS 12 §15b, no deferred tax was recognised on the difference between the carrying amount at acquisition and the fiduciary value.

This tax may be due on the disposal of the property via an 'asset transaction'. This gives rise to a *contingent liability*. This amounts to KEUR 14,445 on 31 December 2020.

10.6.23 EXIT TAX

Deferred taxes for subsidiaries are recorded as the difference between the carrying amount of the investment property after depreciation in the annual financial statements of these subsidiaries, under the Articles of Association, and the Fair Value. These deferred taxes are recorded at the applicable rate of the exit tax if the Board of Directors of the Company and the subsidiary respectively intend to merge the subsidiary with the Company.

(i) General

Exit tax is the corporate tax on the capital gain that is established in the case of a taxed merger of an RREC with a Belgian undertaking that is not an RREC. If this undertaking is included in the Group's scope of consolidation at first, the exit tax will be deducted from the equity of the Company that is to be merged. If the undertaking is not immediately merged with the RREC, adjustments to the exit tax, which prove necessary in relation to the provision amount at the time of the merger, will be recorded via the income statement.

(ii) Exit tax rate

The exit tax rate is 15% as from assessment year 2021 (financial year starting 1 January 2020).

(iii) Principle for calculating the exit tax

The exit tax applies to contributions, mergers, de-mergers and transactions that are equated with mergers or de-mergers, in which the Company participates as an RREC. Such transactions are expressly excluded from tax neutrality. Both the RREC licence and the above transactions in which the Company would participate as an RREC are equated, from a tax perspective, with a dissolution and liquidation of the real estate company or companies involved.

To calculate the exit tax, the actual value of the assets of the Company or of the real estate company or companies involved on the date of the licence or of the relevant transaction is equated with an 'amount paid on the division of the corporate assets'. The positive difference between the amount paid in case of this legal fiction and the enhanced value of the paid-up capital is regarded as a dividend. If the Company participates in a transaction that is equated with a de-merger, the rules on dissolution and liquidation apply only to the separated assets of the real estate company or companies involved.

If the Company is recognised as an RREC, the exit tax is applied to its latent capital gains and exempt reserves at the time it is granted the RREC licence (insofar as this exists at that time). If the Company participates as an RREC in a contribution, merger, de-merger or transaction equated with a merger or de-merger, the exit tax is calculated on the latent capital gains and exempt reserves of the real estate company that makes the contribution by merger, de-merger or an equated transaction. The latent capital gains are calculated as the positive difference between the actual value for tax purposes of the (separated) assets of the real estate company concerned, on the one hand, and the acquisition value of those corporate assets less the depreciation and impairments accepted for tax purposes on the other hand.

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

(iv) Payment of exit tax

If the Company engages in a contribution, merger, de-merger or transaction equated with a merger or de-merger as an RREC, the exit tax is payable by the real estate company that makes the contribution to the RREC. If a contribution is made to the Company by way of a merger, the exit tax will be payable by the Company as the acquiring company.

(v) Purpose of the exit tax

As an RREC, the Company benefits from a special tax regime. Although it is subject to corporation tax, its taxable base is limited to (i) the extraordinary or gratuitous advantages that it receives and (ii) the expenses and costs that cannot be deducted as business costs (other than impairments and capital losses on shares (Article 185a of the Belgian Income Tax Code 1992). After becoming licensed as an RREC, the Company is thus not taxed on its accounting result, which also implies that its capital gains are not included in its taxable base. The exit tax was introduced to prevent the Company from being definitively exempt from paying tax on the latent, unrealised capital gains and exempt reserves it possesses on the licensing date. With the levying of exit tax, the Company is deemed, as it were, to have settled its past obligations on the date it becomes a licensed RREC. The same reasoning applies to the real estate company or companies involved in a merger, de-merger or a transaction equated with a merger or de-merger in which the Company participates as an RREC.

(vi) Accounting treatment

The exit tax is the corporate tax on capital gains that is established for the taxed merger of an RREC with a non-RREC undertaking. The exit tax due on this capital gain is recognised when the non-RREC undertaking is included in the Group's scope of consolidation for the first time. In principle, the provision for exit tax is revised in the interim only if it needs to be increased because of the appreciation of this undertaking's property. Any over-estimate because of depreciation will be determined only once the merger is actually concluded. These adjustments to the exit tax liability are recorded via the income statement.

10.6.24 FINANCIAL RISK MANAGEMENT

i. Changes in interest rates

Higher interest rates lead to an increase in financial expenses and a fall in EPRA results. In the current context of negative interest rates, the method by which some banks set a minimum percentage of 0% for the Euribor rate used as a reference in financing contracts has a negative impact on the financial expenses. Xior Student Housing uses IRS-type assets and liabilities to hedge the interest rate risk on long-term loans with variable interest rates. An interest rate swap is an agreement between two parties in which the variable interest rate is exchanged for a fixed interest rate. The pursued interest rate policy has hedged 77% of loans drawn down to a fixed interest rate. The average interest rate of the public RREC is 1.85%. Please refer to ***Chapter 10.9.23 of this Annual Report*** for the potential impact of interest changes.

ii. Financing risk

The long-term financing was concluded in the form of bullet loans. These are loans where the entire principal is paid in full after three to ten years. The diversification of the financing across various banks limits Xior Student Housing's liquidity risk. The loans were all taken out at a fixed interest rate. Xior Student Housing has completed the necessary hedging transactions and converted 77% of its loans drawn down to a fixed interest rate. The effect of interest rate changes on the net result is therefore limited.

iii. Credit risk

Xior Student Housing monitors rent arrears closely. In case of non-payment, the Company usually uses a rent deposit. For further details, please refer to ***Chapter 10.9.13 of this Annual Report***.

10.7 SEGMENT INFORMATION

The segmentation basis for reporting by segment is by geographic region. The rental income is divided by geographic location: Belgium, the Netherlands and Iberia (Spain and Portugal). Every location is further divided into students and other. Commercial decisions are taken at this level and rental income and occupancy rate are followed up at this level.

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

In the income statement, only the net rental income is broken down by segment.

	31/12/2020							
	Belgium		The Netherlands		Iberia		Non-allocated amounts	Total
Figures in thousands of EUR	Students	Other	Students	Other	Students	Other		
Net rental income	**13,947**	**1,401**	**30,396**	**5,188**	**6,964**			**57,896**
Property result							561	**58,457**
Property charges							-8,043	-8,043
Property operating result								**50,414**
General expenses							-5,996	-5,996
Other operating income and costs							53	53
Operating result before result on the portfolio								**44,471**
Result from the sale of investment property							0	0
Variations in the Fair Value of investment property	-9,096	-535	-33,955	-220	-6,642			-50,448
Other portfolio result	-6,712	0	-7,899	-26	-1,145			-15,782
Operating result								**-21,759**
Financial result							-16,449	-16,449
Share in the result of associated companies and joint ventures							-676	-676
Result before taxes								-38,884
Taxes							-2,889	-2,889
Net result								**-41,773**
EPRA earnings								**33,962**
Result on the portfolio	**-15,808**	**-535**	**-41,854**	**-246**	**-7,787**		**0**	**-66,230**
Total assets	**405,666**	**18,159**	**793,133**	**108,166**	**230,656**	**0**	**64,536**	**1,620,316**
Investment property	405,666	18,159	793,133	108,166	230,656	0		1,555,780
Other assets							64,536	64,536
Total liabilities and equity							**1,620,316**	**1,620,316**
Equity							659,503	659,503
Liabilities							960,813	960,813

	31/12/2019							
	Belgium		The Netherlands		Iberia		Non-allocated amounts	Total
Figures in thousands of EUR	Students	Other	Students	Other	Students	Other		
Net rental income	**10,230**	**1,704**	**25,506**	**5,864**	**1,470**	**157**		**44,932**
Property result							577	**45,509**
Property charges							-6,994	-6,994
Property operating result								**38,516**
General expenses							-3,500	-3,500
Other operating income and costs							54	54
Operating result before result on the portfolio								**35,070**
Result from the sale of investment property								
Variations in the Fair Value of investment property	5,460	35	12,932	-445				17,982
Other portfolio result	-4,180		437		-19,346		1,084	-22,005
Operating result								**31,045**
Financial result							-16,771	-16,771
Share in the result of associated companies and joint ventures	204				-1,602			-1,398
Result before taxes								12,876
Taxes							-5,218	-5,218
Net result								**7,658**
EPRA earnings								**24,103**
Result on the portfolio	**1,280**	**35**	**13,369**	**-445**			**1,084**	**15,323**
Total assets	**282,935**	**27,082**	**632,985**	**109,290**	**138,499**		**85,738**	**1,276,529**
Investment property	282,935	27,082	632,985	109,290	138,499			1,190,791
Other assets							85,738	85,738
Total liabilities and equity							**1,276,528**	**1,276,529**
Equity							625,808	625,808
Liabilities							650,720	650,720

10.8 ALTERNATIVE PERFORMANCE MEASURES (APMS)[4]

APM terms	Definition	Use
EPRA earnings	The net result +/- variations in the Fair Value of the investment property +/- other portfolio result +/- result from the sale of investment property +/- variations in the Fair Value of financial assets and liabilities +/- deferred taxes with regard to IAS 40 adjustments.	Measuring the results of the strategic operational activities, excluding variations in the Fair Value of the investment property, other portfolio result, the earnings from the sale of investment property and variations in the Fair Value of financial assets and liabilities and the deferred taxes with regard to IAS 40. This indicates the extent to which dividend payments are covered by earnings.
Result on the portfolio	Result from the sale of investment property +/- variations in the fair value of investment property +/- other portfolio results.	Measuring the realised and unrealised gain/loss on investment property.
Average interest rate	Interest charges including IRS interest expense divided by the average outstanding debt during the period.	Measuring the average interest costs of the debts to enable a comparison with peers + analysis of 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 interest costs of the debts to enable a comparison with peers + analysis of 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 financing costs of the debt to enable a comparison with peers + analysis of 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 financing costs of the debt to enable a comparison with peers + analysis of evolution over time.
EPRA earnings per share	Net result +/- earnings from the sale of investment property +/- fluctuations in the fair value of the investment property +/- other portfolio result +/- fluctuations 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 NAV	This is the net asset value (NAV) that has been adjusted to also include property and other investments at their fair value and to exclude certain elements that are not expected to actually take shape in a business model with long-term investment property.	Comparability with other RRECs and international property players.
EPRA NNNAV	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.

[4] With the exception of EPRA Net Initial Yield, EPRA Rental Vacancy and EPRA Cost Ratio, the APMs were audited by the Statutory Auditor.

APM terms	Definition	Use
EPRA Net Reinstatement Value (NRV)	Assumes that entities never sell property and aim to represent the value needed to rebuild the property.	Comparability with other RRECs and international property players. The EPRA NAV metrics make adjustments to the NAV per IFRS financial statements to provide stakeholders with the most relevant information on the fair value of a property company's assets and liabilities under various scenarios.
EPRA Net Tangible Asset (NTA)	Assumes that entities buy and sell assets, causing certain levels of unavoidable deferred tax to crystallise.	Comparability with other RRECs and international property players. The EPRA NAV metrics make adjustments to the NAV per IFRS financial statements to provide stakeholders with the most relevant information on the fair value of a property company's assets and liabilities under various scenarios.
EPRA Net Disposal Value (NDV)	Represents the shareholder value in a 'sell out scenario', in which deferred tax, financial instruments and certain other adjustments are calculated to the full extent, after deduction of the resulting tax.	Comparability with other RRECs and international property players. The EPRA NAV metrics make adjustments to the NAV per IFRS financial statements to provide stakeholders with the most relevant information on the fair value of a property company's assets and liabilities under various scenarios.
EPRA Net Initial Yield (NIY)	Annualised gross rental income based on the current rent on the closing date excluding the property charges divided by the portfolio market value plus the estimated transaction rights and costs in case of hypothetical disposal of investment property.	Comparability with other RRECs and international property players.
EPRA Adjusted Net Initial Yield (Adjusted NIY)	This measure integrates an adjustment of the EPRA NIY for the end of rent-free periods or other non-expired rental incentives.	Comparability with other RRECs and international property players.
EPRA rental vacancy	Estimated Rental Value of vacant units divided by the Estimated Rental Value of the total portfolio.	Comparability with other RRECs and international property players.
EPRA cost ratio (incl. vacancy costs)	EPRA costs (including vacancy costs) divided by the gross rental income less the rent still to be paid on rented land.	Comparability with other RRECs and international property players.
EPRA cost ratio (excl. vacancy costs)	EPRA costs (excluding vacancy costs) divided by the gross rental income, less the rent still to be paid on rented land.	Comparability with other RRECs and international property players
Financial result (excl. variations in the fair value of financial assets and liabilities)	Financial result corrected before variations in the fair value of financial assets and liabilities.	Comparability with other RRECs and international property players.

Alternative Performance Measures (APMs): reconciliation tables

EPRA earnings	31/12/2020	31/12/2019
Net result	-41,773	7,659
Variations in the fair value of the investment property	50,448	-17,982
Other portfolio result	15,782	22,005
Result from the sale of investment properties		
Variations in the fair value of financial assets and liabilities	8,837	9,150
Share in the result of associated companies and joint ventures	676	1,398
Deferred taxes with regard to IAS 40	-9	1,872
EPRA earnings	**33,961**	**24,103**
EPRA earnings – share of the group	**33,298**	**23,975**

Result on the portfolio	31/12/2020	31/12/2019
(+/-) Result from the sale of investment property		
(+/-) Result from the sale of other non-financial assets		
(+/-) Variations in the Fair Value of investment property	-50,448	17,982
Positive variations in the fair value of the investment property	11,664	25,820
Negative variations in the fair value of the investment property	-62,112	-7,839
(+/-) Other portfolio result	-15,782	-22,005
Result on the portfolio	**-66,230**	**-4,024**

EPRA earnings per share	31/12/2020	31/12/2019
Net result	-41,773	7,659
Variations in the fair value of the investment property	50,448	-17,982
Other portfolio result	15,782	22,005
Result from the sale of investment properties		
Variations in the fair value of financial assets and liabilities	8,837	9,150
Share in the result of associated companies and joint ventures	676	1,398
Deferred taxes with regard to IAS 40	-9	1,872
Weighted average number of shares	19,560,351	14,996,135
EPRA earnings per share	**1.74**	**1.61**
IFRIC 21 impact	0	0
EPRA earnings per share after IFRIC 21 adjustment	**1.74**	**1.61**
EPRA earnings per share after IFRIC 21 adjustment – share of the group	**1.70**	**1.60**

Average interest rate	31/12/2020	31/12/2019
Nominal interest paid on loans	4,197	4,720
Costs of permitted hedging instruments	2,791	2,540
Capitalised interest	3,785	2,248
Average outstanding debt for the period	655,477	470,695
Average interest rate	**1.64%**	**2.02%**
Average interest rate excl. costs of permitted hedging instruments	**1.22%**	**1.48%**

Average financing costs	31/12/2020	31/12/2019
Nominal interest paid on loans	4,197	4,720
Costs of permitted hedging instruments	2,791	2,540
Capitalised interest	3,785	2,248
Breakdown of the nominal amount of financial debt	337	218
Bank costs and other commissions	1,009	404
Average outstanding debt for the period	655,477	470,695
Average financing costs	**1.85%**	**2.15%**
Average financing costs excl. costs of permitted hedging instruments	**1.42%**	**1.61%**

EPRA Net Initial Yield	31/12/2020	31/12/2019
Investment property – full property Fair Value	1,632,555	1,204,634
Investment property – share in joint ventures	20,873	29,148
Minus property developments	-339,114	-203,741
Completed property portfolio	1,314,314	1,030,041
Transaction fees	95,304	31,101
Investment value of the property available for rent	1,409,618	1,061,142
Annualised gross rental income	73,539	55,424
Property charges	5,702	4,488
Annualised net rental income	67,837	50,936
Notional amount at the end of the rent-free period		
Adjusted annualised net rental income	67,837	50,936
EPRA Net Initial Yield	**4.8%**	**4.8%**
EPRA Adjusted Net Initial Yield	**4.8%**	**4.8%**

EPRA Rental Vacancy	31/12/2020	31/12/2019
Estimated rental value of the vacant units	2,458	1,648
Estimated rental value of the entire portfolio	72,406	55,424
EPRA Rental Vacancy	**3.4%[5]**	**2.97%**

[5] De ERV rental vacancy of 3,4% on 31 December 2020 is due to the ramp up of the completed properties in the last quarter of 2020.

EPRA cost ratio	31/12/2020	31/12/2019
General expenses	5,996	3,500
Impairments of trade receivables	539	125
Property charges	8,043	6,994
EPRA costs (incl. vacancy costs)	14,578	10,619
Vacancy costs	655	423
EPRA costs (excl. vacancy costs)	13,923	10,196
Gross rental income	58,434	45,056
EPRA cost ratio (incl. vacancy costs)	**24.9%**	**23.6%**
EPRA cost ratio (excl. vacancy costs)	**23.8%**	**22.6%**

Financial result excl. variations in the fair value of financial assets and liabilities	31/12/2020	31/12/2019
Financial result	-16,449	-16,771
Variations in the fair value of financial assets and liabilities	-8,837	-9,150
Financial result excl. variations in the fair value of financial assets and liabilities	**-7,611**	**-7,621**

As at 31/12/2020	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAW	EPRA NNNAW
IFRS equity attributable to shareholders excluding non-controlling interests	641,194	641,194	641,194	641,194	641,194
Non-controlling interests	XXXXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX	18,309	18,309
EXCLUDE					
Deferred taxes related to FV earnings on IP	47,815	47,815	XXXXXXXXXXX	47,815	XXXXXXXXXXX
FV of the financial assets	26,530	26,530	XXXXXXXXXXX	26,530	XXXXXXXXXXX
Intangibles as per the IFRS BS	XXXXXXXXXXX	145	XXXXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
INCLUDE					
FV of fixed-interest rate debt	XXXXXXXXXXX	XXXXXXXXXXX	-7,027	XXXXXXXXXXX	XXXXXXXXXXX
Real estate transfer tax	95,508	N/A	XXXXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
NAV	**811,047**	**715,394**	**648,221**	**733,848**	**659,503**
Fully diluted number of shares	21,046,441	21,046,441	21,046,441	21,046,441	21,046,441
NAV per share	**38.54**	**33.99**	**30.80**	**34.87**	**31.34**
NAV per share - group share	**38.54**	**33.99**	**30.80**	**34.00**	**30.47**

	Fair value	% compared to total portfolio	% excl. deferred taxes
Portfolio subject to deferred taxes and intended to be held and not sold in the long term.	1,555,779	100	100
Portfolio subject to partial deferred tax and tax structuring	0	0	0

As at 31/12/2019	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAW	EPRA NNNAW
IFRS equity attributable to shareholders excluding non-controlling interests	610,428	610,428	610,428	610,428	610,428
Non-controlling interests	XXXXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX	15,380	15,380
EXCLUDE					
Deferred taxes related to FV earnings on IP	46,813	46,813	XXXXXXXXXXX	46,813	XXXXXXXXXXX
FV of the financial assets	15,467	15,467	XXXXXXXXXXX	15,467	XXXXXXXXXXX
Intangibles as per the IFRS BS	XXXXXXXXXXX	52	XXXXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
INCLUDE					
FV of fixed-interest rate debt	XXXXXXXXXXX	XXXXXXXXXXX	396	XXXXXXXXXXX	XXXXXXXXXXX
Real estate transfer tax	44,337	N/A	XXXXXXXXXXX	XXXXXXXXXXX	XXXXXXXXXXX
NAV	**717,045**	**672,656**	**610,032**	**688,088**	**625,808**
Fully diluted number of shares	19,133,129	19,133,129	19,133,129	19,133,129	19,133,129
NAV per share	**37.48**	**35.16**	**31.88**	**35.96**	**32.71**
NAV per share – group share	**37.48**	**35.16**	**31.88**	**35.16**	**31.90**

	Fair value	% compared to total portfolio	% excl. deferred taxes
Portfolio subject to deferred taxes and intended to be held and not sold in the long term.	1,190,791	100	100
Portfolio subject to partial deferred tax and tax structuring	0	0	0

10.9 OTHER NOTES

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

10.9.1 PROPERTY RESULT

	Figures in thousands of EUR	31/12/2020	31/12/2019
(+)	Rental income	58,434	45,056
	Rent	56,805	41,347
	Rental guarantees	2,296	3,979
	Rent reductions	-666	-270
(+)	Writeback of carried over and discounted rental income		
(+/-)	Rent-related expenses	-539	-125
	Net rental income	**57,896**	**44,932**
(+)	Recovery of property charges		
(+)	Recovery of rental charges and taxes normally payable by the tenants for let properties	10,914	8,193
(-)	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at the end of the tenancy		
(-)	Rental charges and taxes normally payable by the tenants for let properties	-12,781	-9,012
(+/-)	Other rent-related income and expenditure	2,429	1,396
	Property result	**58,457**	**45,508**

Rent-related expenses contain impairments on rent receivables.

The guaranteed income on 31 December 2020 includes the rental guarantees given by the sellers upon acquisition in 2019 or 2020. Those rental guarantees have a term of 1 to 2 years and cover the vacant units.

Figures in thousands of EUR	31/12/2020	31/12/2019
Summary of rental income to potentially expire in the future		
Within one year	49,788	33,680
Between one and five years	2,194	2,615
More than five years	4,823	5,052
Total	**56,805**	**41,347**

The above table shows how much of the rental income that was earned between 1 January 2020 and 31 December 2020 could theoretically expire 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 the letting of student units. These contracts are typically concluded for a one-year period, after which they may be extended. Xior also tries to conclude long-term contracts with colleges or universities for some of the rooms in its portfolio. Please find below a list of Xior's main rental and guarantee contracts with universities or colleges.

Institution	City	End date
RENTAL CONTRACT		
Saxion Hogescholen	Enschede	31/07/2026
Saxion Hogescholen	Enschede	31/08/2027
Saxion Hogescholen	Enschede	28/02/2029
Saxion Hogescholen	Enschede	30/04/2021
Saxion Hogescholen	Enschede	31/08/2027
Universiteit Maastricht	Maastricht	
Universiteit Maastricht	Maastricht	2021/2031
Stichting Studenten Huisvesting (SSH)	Maastricht	2037
Veste Foundation	Maastricht	31/07/2029
Foundation for Regional Training Centres of Twente	Enschede	31/03/2030
Foundation for Regional Training Centres of Twente	Enschede	31/07/2030
Saxion Hogescholen	Enschede	30/04/2029
Hogeschool Gent	Ghent	1/09/2041
Amro Estudiantes	Granada	17/06/2022
GUARANTEE CONTRACT	**City**	**End date**
Vrije Universiteit (VU)	Amsterdam	31/08/2021
Hogeschool Zuyd	Maastricht	31/07/2021
Hogeschool Zuyd	Maastricht	31/07/2021
Rotterdam School of Management (RSM)	Rotterdam	31/12/2021
Hogeschool Utrecht	Utrecht	31/03/2023
Navitas	Enschede	31/05/2024

A number of the contracts have been in place for several years and are renewed each year.

Together, these rental or guarantee contracts cover 10.83% of Xior's annualised long-term rental income. There are also partnerships with universities and colleges. These are rather 'soft commitments'. They represent 7.1% of the annual rental income.

Xior Student Housing NV also has several other types of tenancy agreements that are 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 to comply with their obligations, a rental guarantee of at least 1 month's rent, and in most cases 2 months' rent, is charged. This is paid mostly in cash and reflected on the balance sheet under other short-term liabilities.

10.9.2 PROPERTY CHARGES

	Figures in thousands of EUR	31/12/2020	31/12/2019
(-)	**Technical costs**	**-2,409**	**-1,538**
	Recurring technical costs	-2,429	-1,621
	Maintenance	-1,970	-1,282
	Insurance premiums	-459	-339
	Non-recurring technical costs	20	83
	Damages	20	83
(-)	**Commercial costs**	**-398**	**-390**
	Lawyers' fees and legal costs	-79	-56
	Advertising	-320	-334
(-)	**Costs and taxes for non-let properties**	**-655**	**-423**
(-)	**Property management costs**	**-2,556**	**-2,946**
	External management costs	0	-768
	Internal management costs	-2,556	-2,178
(-)	**Other property charges**	**-2,025**	**-1,697**
	Valuation expert fees	-589	-312
	Architects' fees	0	-4
	Immovable property tax and other taxes	-1,436	-1,381
	Property charges	**-8,043**	**-6,994**

The increase in property charges from 31/12/2019 to 31/12/2020 is the result of the property portfolio's further expansion. 8 properties were added to the property portfolio in 2019. This has an impact on the property charges. In 2020, 14 properties were again added to the property portfolio.

10.9.3 GENERAL EXPENSES

	Figures in thousands of EUR	31/12/2020	31/12/2019
(-)	General company expenses	-5,996	-3,500
	- Lawyers' fees, notarial charges and legal costs	-230	-90
	- Audit	-108	-81
	- Technical Audit	-89	0
	- Tax and financial advice	-373	-284
	- Directors and executive management	-757	-610
	- Staffing costs	-2,220	-1,147
	- Housing costs	-157	-88
	- Office costs and IT costs	-276	-252
	- Advertising, communication and annual report	-343	-125
	- Taxes and statutory expenses	-706	-515
	- Business development	-256	0
	- Insurance	-46	-45
	- Other general expenses	-435	-263
	General company expenses	**-5,996**	**-3,500**

The general expenses of the Company cover the fixed operating expenses of the undertaking that operates as a legally listed entity and enjoys RREC status. These costs are incurred to provide transparent financial information. The increase in general costs is mainly due to a rise of personnel costs, consultancy costs and taxes and legal costs, which mainly include the so-called equity-based subscription tax.

10.9.4 OTHER OPERATING INCOME AND COSTS

Figures in thousands of EUR		31/12/2020	31/12/2019
(+)/(-)	**Other operating result and costs**	**53**	**54**
	Management for third parties	53	54
	Other operating income and costs	**53**	**54**

Pursuant to Article 6 of the Law on Regulated Real Estate Companies, Stubis, a wholly owned subsidiary of Xior Student Housing NV, provides limited real estate services to third parties. The returns from this are accounted for as other operational income and costs. The result before taxes for these services to third parties in 2020 represents a non-significant percentage of the consolidated result before taxes.

The assets managed for third parties represent approximately 1.5% (and therefore less than 10%) of the consolidated assets of Xior Student Housing NV.

10.9.5 RESULT ON THE PORTFOLIO

Figures in thousands of EUR		31/12/2020	31/12/2019
(+/-)	Result from the sale of investment property		
(+/-)	Result from the sale of other non-financial assets		
(+/-)	Variations in the Fair Value of investment property	-50,448	17,981
	Positive variations in the fair value of the investment property	11,664	25,820
	Negative variations in the fair value of the investment property	-62,112	-7,839
(+/-)	Other portfolio result	-15,782	-22,005
	Result on the portfolio	**-66,230**	**-4,023**

New properties were acquired in the first half of 2020 through share acquisitions.

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

- The difference between the Fair Value of properties acquired and the fiduciary value of such property is processed as "'*variations in the Fair Value of investment properties*" on the income statement.
- The difference between the carrying amount of properties acquired through share acquisitions and the fiduciary value of such properties as well as other sources of differences between the Fair Value and fiduciary value of the shares are processed as *"other portfolio result"* on the income statement. This *"other portfolio result"* concerns amounts resulting from application of the consolidation principles and merger transactions, and consists of the differences between the price paid for real estate companies and the Fair Value of the acquired net assets. This *"other portfolio result"* also covers directly attributable transaction fees.
- The change in Fair Value between 1 January 2020 and 31 December 2020 was booked under *"negative or positive investment property changes"*.

The negative change in the valuation of the investment property can mainly be explained by a change (increase) in the rate of Dutch transfer tax. As a result of this change, the Fair Value of the Dutch portfolio declined on 31 December 2020 (MEUR -42.6). In addition, there is the impact of the devaluation of a commercial property for which the contract was terminated (MEUR -9.3) and the impact of a revaluation of the Fair Value of property in Spain and Portugal (MEUR -7). The positive changes in the valuation of investment property can mainly be explained by the difference between the fiduciary value and the Fair Value of the newly acquired property upon acquisition.

10.9.6 FINANCIAL RESULT

Figures in thousands of EUR		31/12/2020	31/12/2019
(+)	**Financial income**	**722**	**261**
(-)	**Net interest expense**	**-7,325**	**-7,478**
	Nominal interest paid on loans	-4,197	-4,720
	Breakdown of the nominal amount of financial debt	-337	-218
	Costs of permitted hedging instruments	-2,791	-2,540
(-)	**Other financial costs**	**-1,008**	**-404**
	Bank costs and other commissions	-869	-378
	Other	-139	-26
(+/-)	**Variations in the Fair Value of financial assets and liabilities**	**-8,837**	**-9,150**
	Market value of interest rate swaps	-8,837	-9,150
	Other	0	0
	Financial result	**-16,449**	**-16,771**

The average interest rate [6] was 1.64% (1.22% without hedging instruments) as at 31 December 2020, as compared to 2.02% as at 31 December 2019. The average financing cost was 1.85% as at 31 December 2020 as compared to 2.15% as at 31 December 2019.

The Company is subject to fluctuations in interest rates, because most long-term liabilities were entered into on the basis of variable interest rates. An increase in the interest rate can therefore cause an increase in the interest charges. However, the company has concluded the necessary IRS - contracts over the years. As at 31 December 2020, 77% of the withdrawn credit was hedged with IRS contracts or taken out at a fixed interest rate. (See also ***Chapter 5.3.2 of this Annual Report***).

The derivatives used by Xior Student Housing NV do not qualify as hedging transactions. As a result, the changes in Fair Value are included in the income statement immediately.

[6] For the calculation of the APMs, please refer to ***Chapter 10.8 of this Annual Report.***

10.9.7 CORPORATION TAX

Figures in thousands of EUR	31/12/2020	31/12/2019
Parent company		
25% corporate tax	-6	-22
Subsidiaries		
Belgian tax, due and deductible	0	-35
Foreign tax, due and deductible	-2,892	-3,289
Foreign deferred taxes	-14	-1,748
Belgian deferred taxes		
Total	**-2,912**	**-5,094**
Exit tax	23	-124
Total	**-2,889**	**-5,218**

In Belgium, an RREC is only subject to corporation tax as regards disallowed expenses and extraordinary and gratuitous advantages. Deferred taxes (exit taxes) for subsidiaries are recorded as the difference between the carrying amount after depreciation in the annual financial statements of these subsidiaries and the Fair Value. These are recorded at a rate of 15%, as it is the intention to merge these subsidiaries with the public RREC.

The Company also has a number of buildings that are located in the Netherlands. Some of these properties are part of a Dutch permanent establishment. Other Dutch properties are held by a wholly-owned subsidiary of Xior Student Housing. The tax on profits due by the Dutch permanent establishment and by the Dutch subsidiaries is estimated at 25% of the taxable result of the permanent establishment and subsidiaries.

The Company also has some properties in Spain and Portugal. The profit tax is estimated at 25% or 21% of the taxable base of the Spanish and Portuguese subsidiaries respectively.

Besides the tax on profits, a deferred tax liability is attributed to the latent capital gain of properties. This latent gain is calculated as the difference between the fiduciary value and the Fair Value. This deferred tax liability will be adjusted if the Fair Value or carrying amount of the property changes as a result of fluctuations in value or tax depreciation, for example. The applied percentage is evaluated annually by taking into account the projected gross margin on the real estate income in the Netherlands for the coming years. For Spain and Portugal, this amounts to 25% and 21% respectively.

As a result of the application of IFRS 3 Revised and linked to the '*initial recognition exemption*' under IAS 12 §15b, for 2020 no deferred tax was recognised on the difference between the carrying amount at acquisition and the fiduciary value.

This tax may be due on the disposal of the property via an 'asset transaction'.

This gives rise to a *'contingent liability'*. This amounts to KEUR 14,445 on 31 December 2020.

Please also refer to *Chapter 10.9.22 of this Annual Report.*

10.9.8 INVESTMENT PROPERTY

Figures in thousands of EUR

Investment table	Investment property in operation	Property developments	Total
Balance on 31/12/2018	**735,927**	**78,981**	**814,908**
Acquisition through purchase or contributions of real estate companies	283,444	30,028	313,472
Further CAPEX investments	5,159	25,303	30,462
Purchase and contribution of investment property	11,719	0	11,719
Sale of investment property			
Capitalised interest charges	689	1,559	2,248
Change in the Fair Value	24,863	-6,881	17,982
Transfer from/to	49,884	-49,884	0
Balance on 31/12/2019	**1,111,685**	**79,106**	**1,190,791**
Acquisition through purchase or contributions of real estate companies	287,157	59,173	336,185
Further CAPEX investments	23,691	51,776	75,467
Purchase and contribution of investment property			
Sale of investment property			
Capitalised interest charges	1,947	1,838	3,785
Change in the Fair Value	-44,446	-6,002	-50,448
Transfer from/to	40,893	-40,893	0
Balance on 31/12/2020	**1,410,782**	**144,998**	**1,555,780**

Capitalised interest charges with regard to properties that are the object of property developments were capitalised at an interest rate of 2% during 2020.

Further investment in CAPEX is related to the investments made in connection of new purchases, own property development and investments in the existing portfolio. For a detailed description of all achievements of 2020, please refer to *Chapter 10.9.30 of the Annual Report*.

IFRS 13 NOTE

Valuation of investment property

Investment property is included at their Fair Value in accordance with IAS 40. The Fair Value is measured based on unobservable inputs, so the assets within the investment property belong to level 3 of the fair value hierarchy as determined by the IFRS. There were no shifts within the fair value hierarchy in 2020.

Investment property is recognised in the accounts on the basis of appraisal reports that are drawn up by independent and expert property appraisers.

The valuation of the property portfolio was drawn up by Stadim (Belgium and some of the Netherlands), Cushman & Wakefield (Netherlands and Portugal) and CBRE (Spain).

The independent valuation experts perform an external appraisal of the property portfolio each quarter.

C&W Portugal and CBRE state in their valuation report of 31 December 2020 that Covid-19 has caused material valuation uncertainty. This was included by the valuation expert to be transparent about the market dynamics, but does not mean that the valuation is uncertain.

For a further explanation of the valuation methods, please refer to *Chapter 8.2.4.1 of this Annual Report*.

The fair value is determined on the basis of one of the following levels of the IFRS 13 hierarchy:

- Level 1: valuation based on listed market prices in active markets
- Level 2: valuation based on directly or indirectly (externally) observable data
- Level 3: valuation based fully or partially on non (externally) observable data

The property portfolio is assessed at the fair value. The fair value is measured based on unobservable inputs, so the assets within the investment property belong to level 3 of the fair value hierarchy as determined by the IFRS.

Unobservable inputs in the measurement of the fair value.[7]

31/12/2020 Asset types	Fair value on 31/12/2020	Assessment method	Country	Unobservable data	Min	Max	Weighted average
Student flats	431,047	DCF	Belgium				
				Rent per student room	235	910	443
				Discount rate	3.38%	7.00%	4.61%
				Vacancy	2.82%	5.74%	2.99%
				Inflation	1.25%	1.25%	1.25%
				Number of units	**3,856**		
Student flats	951,159	DCF	The Netherlands				
				Rent per student room	250	1,165	514
				Discount rate	4.92%	7.22%	5.48%
				Vacancy	0.00%	4.10%	2.77%
				Inflation	1.25%	1.25%	1.25%
				Number of units	**7,168**		
Other	9,616	DCF	Belgium	Gross rental income/m²	144	330	208
				Discount rate	2.60%	6.05%	4.56%
				Vacancy	2.96%	8.02%	4.81%
				Inflation	1.25%	1.25%	1.25%
				Square metres	**5,958**		
Other	5,935	DCF	The Netherlands	Gross rental income/m²	77.50	180	136
				Discount rate	5.25%	8.00%	6.91%
				Vacancy	1.83%	6.13%	2.55%
				Inflation	1.25%	1.25%	1.25%
				Square metres	**4,123**		
Student flats	172,821	DCF	Spain	Rent per unit	759	1,395	1,175
				Discount rate	7.14%	7.89%	7.47%
				Occupancy in academic year	97%	70%	90%
				Occupancy in summer	15%	65%	41%
				Inflation	1.18%	1.18%	1.18%
				Number of units	**1,144**		
Student flats	58,784	DCF	Portugal	Rent per unit	450	559	512
				Discount rate	7.25%	8.25%	7.75%
				Occupancy in academic year	70%	90%	80%
				Occupancy in summer	30%	40%	38%
				Inflation	1.75%	1.75%	1.75%
				Number of units	**1,107**		
Total	**1,629,362**						

7 The Fair Value is that determined by the Valuation Expert and deviates from the value recorded on the balance sheet as at 31 December 2020 since a cost to come has still been deducted for a number of properties in development for inclusion in the balance sheet as at 31 December 2020.

31/12/2019 Asset types	Fair value on 31/12/2019	Assessment method	Country	Unobservable data	Min	Max	Weighted average
Student flats	292,323	DCF	Belgium				
				Rent per student room	200	990	474
				Discount rate	4.10%	4.90%	4.47%
				Vacancy	2.86%	3.76%	2.94%
				Inflation	1.25%	1.25%	1.25%
				Number of units	**2,589**		
Student flats	747,362	DCF	The Netherlands				
				Rent per student room	250	989	
				Discount rate	4.18%	7.27%	5.68%
				Vacancy	0%	6.05%	2.73
				Inflation	1.25%	2.02%	1.61%
				Number of units	**4,844**		
Other	20,156	DCF	Belgium	Gross rental income/m²	145	330	215
				Discount rate	3.50%	6.07%	4.35%
				Vacancy	2.96%	8%	4.09%
				Inflation	1.25%	1.25%	1.25%
				Square metres	**5,958**		
Other	6,295	DCF	The Netherlands	Gross rental income/m²	78	200	109
				Discount rate	5.95%	8.50%	6.30%
				Vacancy	0%	6.13%	4.01%
				Inflation	1.25%	1.98%	1.49%
				Square metres	**4,123**		
Student flats	138,499	DCF	Spain	Rent per unit	925	1,407	1,250
				Discount rate	7.25%	8.30%	7.61%
				Occupancy in academic year	92%	97%	95%
				Occupancy in summer	25%	65%	39%
				Inflation	2%	2%	2%
				Number of units	**933**		
Student flats	79,289	DCF	Portugal	Rent per unit	434	775	546
				Discount rate	7.25%	8.25%	7.97%
				Occupancy in academic year	95%	95%	95%
				Occupancy in summer	40%	50%	46%
				Inflation	1.75%	1.75%	1.75%
				Number of units	**1,229**		
Total	**1,283,924**						

Belgium and the Netherlands

There is a significant gap between the minimum and maximum rents for student rooms. This is because the rent for the different rooms depends on the room type. Xior offers four room types (basic, basic+, comfort and premium). Each type offers a different form of comfort, so the price depends on various factors (size of the room, en-suite or not, with or without own kitchenette, location in the building and so on).For more information on the average room price and influencing factors, please refer to *Chapter 8.2.2.4 of this Annual Report*.

For the determination of the DCF, the valuation expert takes into account a gross rental value one the one hand, and a number of costs associated with the property, on the other hand. The costs taken into account are: fire insurance, property taxes, maintenance costs and management costs of the property. Some vacancies are also taken into account (see also table above). For actual vacancies as at 31 December 2020, we refer to the property table included in *Chapter 8 of the Annual Financial Report*.

The valuation expert also takes into account the end value of the property. On average, this end value amounts to 50% of the Fair Value. This is due to the fact that Xior's properties are in good locations, so that the land value included in the Fair Value of the property involves a high end value.

In the valuation, the valuation expert also allows for the ageing of the buildings. To this end, an annual rate of depreciation is applied to the value of the building when calculating the Fair Value. This corresponds to approximately 2% per annum on the value of the building. The valuation expert assumes that thorough renovation will be required after a period of time in order to ensure that rental streams are maintained. Costs for this are provided in the DCF - model. After a thorough renovation, a building's useful life rises again. Most properties in the portfolio have a useful life of 27 years. The properties in the portfolio are fairly recent and a number of properties were thoroughly renovated each year in order to maintain the rental flows and Xior quality standard.

Spain and Portugal

The minimum and maximum rental prices per student room are much higher than for Belgium and the Netherlands. This is because in Spain more services are included in the rental prices, such as linen, room cleaning and, in some cases, *half or full board*. The units in Spain all have their own sanitary facilities, so there are only two types of rooms: comfort and premium. For more information on the average room price and influencing factors, please refer to *Chapter 8.2.2.4 of this Annual Report*.

For the determination of the DCF, the valuation experts take into account a gross rental value one, on the one hand, and a number of costs associated with the property, on the other hand in order to arrive at a net rental value. The EBITDA margin is a crucial factor in determining the valuation. They also take into account a certain occupancy and make a distinction between occupancy during the academic year (September to June) and occupancy during the summer months (July and August) (see also the table above). For actual vacancies as at 31 December 2020, we refer to the property table included in *Chapter 8 of the Annual Financial Report*.

Projects under development are valued in the same way. The valuation expert determines the Fair Value upon completion and deducts the upcoming construction costs.

The sensitivity of the Fair Value to a change in the aforementioned non-observable data is generally presented as follows (if all parameters remain unchanged):

Unobservable data	Effect on the fair value: In case the value of the non-perceptible data falls	Effect on the fair value: In case the value of the non-perceptible data rises
Rent per student room	Negative	Positive
Discount rate	Positive	Negative
Gross rental income/m²	Negative	Positive
Vacancy	Positive	Negative

These unobservable data may also be interconnected as they are partly determined by the market conditions.

If the discount rate or rents were to rise or fall, the impact on the Fair Value would be as follows:

Impact on the Fair Value	in KEUR
Rent +10%	150,207
Rent +5%	51,694
Rent -5%	-139,861
Rent -10%	-226,891
Discount rate +0.5%	-181,022
Discount rate +0.3%	-129,827
Discount rate +0.1%	-75,117
Discount rate -0.1%	-15,427
Discount rate -0.3%	49,327
Discount rate -0.5%	121,062

Valuation process for investment property

Investment property is included in the financial statements on the basis of appraisal reports that are drawn up by the independent valuation experts. These reports are based on information provided by the Company and on the assumptions and valuation models adopted by the valuation expert.

Information provided by the Company includes current tenancy agreements, periods and conditions, along with renovation carried out on investments for Property developments.

The assumptions and valuation models applied by the valuation experts mainly relate to the market situation, such as returns and discount rates. They are based on their professional assessment and knowledge of the market.

For a detailed description of the method of valuation applied by the valuation experts, please refer to *Chapter 8.2.4 of this Annual Report* ("*Appraisal of the property portfolio by the Valuation Experts*").

The information provided by the valuation experts, the assumptions and the valuation models are reviewed internally. This includes reviewing variations in the Fair Value during the period in question.

10.9.9 OTHER TANGIBLE FIXED ASSETS

Figures in thousands of EUR	31/12/2020	31/12/2019
Tangible fixed assets	Other tangible fixed assets	Other tangible fixed assets
Acquisition value		
Balance at the start of the financial year	1,222	908
Acquisitions	477	314
At the financial year-end	**1,698**	**1,222**
Depreciation		
Balance at the start of the financial year	-371	-210
Depreciation	-355	-161
At the financial year-end	**-727**	**-371**
Net carrying value	**971**	**850**

10.9.10 FINANCIAL FIXED ASSETS

Figures in thousands of EUR	31/12/2020	31/12/2019
Financial fixed assets		
Financial derivatives (IRS)		
Other	4,166	25
Total	**4,166**	**25**

This amount includes an option on a property company to be acquired (KEUR 4,000) and guarantees paid (KEUR 166).

10.9.11 TRADE RECEIVABLES AND OTHER FIXED ASSETS

The long-term receivables (KEUR 135) relate to a reduction in rental property tax in the Netherlands[8], which can be deducted from future property tax expenses.

[8] This rental property tax is in force in the Netherlands, where landlords owning more than 50 rental properties have to pay a tax on the property tax value of rented accommodation. This applies to rental properties for which the rent does not exceed EUR 752.33 per month (2020 price level). The rental property tax rate for 2020 is 0.562%. If the applicable conditions are met, this tax can be reduced in case of investments.

10.9.12 PARTICIPATING INTERESTS IN JOINT VENTURES – EQUITY METHOD

As of 31 December 2020, Xior has a 50% participation in the Promgranjo joint venture and a 50% participation in the Invest Drève Saint Pierre joint venture. These joint ventures are included in Xior's consolidated financial statements applying the equity method.

The table below provides an overview of the assets and liabilities of Promgranjo on 31 December 2019 (date of entry).

Promgranjo	
Summary of assets and liabilities (100%)	
Investment property	3,788
Other assets	303
Cash and cash equivalents	210
Equity	244
Deferred taxes	
Non-current debts	3,929
Other debt	127
Adjusted equity (100%)	122
Paid share price (50%)	43

Xior will acquire the remaining 50% of the shares once the project is completed. The estimated purchase price of the remaining 50% was already included in the annual accounts as at 31 December 2020.

XSHPT Portugal, subholding in Portugal, has granted a shareholder loan to the Promgranjo joint venture. On 31 December 2020, the outstanding receivables were KEUR 5,721. The receivable is interest bearing at 2.5% per year.

The table below provides an overview of the assets and liabilities of Invest Drève Saint Pierre on 31 December 2020.

Invest Drève Saint Pierre	100% after completion (estimate)	50% during initial purchase
Investment property	20,648	10,350
Other assets	2	2
Cash and cash equivalents	257	257
Equity	59	59
Deferred taxes		
Non-current debts	20,298	10,000
Other debt	550	550
Adjusted equity (100%)	59	30
Paid share price	385	31

Xior will acquire the remaining 50% of the shares once the project is completed. The estimated purchase price of the remaining 50% was already included in the annual accounts as at 31 December 2020.

Xior has granted a shareholder loan to the Invest Drève Saint-Pierre joint venture. On 31 December 2020, the outstanding receivables were KEUR 10,017. The receivable is interest bearing at 2% per year.

10.9.13 TRADE RECEIVABLES

Figures in thousands of EUR	31/12/2020	31/12/2019
Trade receivables		
Trade receivables	5,349	1,340
Advance payments	0	78
Invoices to issue	263	32
Income to be collected	0	86
Recorded impairments	-725	-372
Total	**4,887**	**1,163**

Trade receivables still to be collected (KEUR 5,349) include rent still to be received. Among other things, this includes the receivable from a commercial tenant, with whom a repayment plan has been agreed. This lease also includes an office tenant who has received a postponement of payment until the end of Q1 2021.

Figures in thousands of EUR	31/12/2020	31/12/2019
Impairments on doubtful debts – movement table		
At the end of the previous financial year	371	333
From acquired companies	0	23
Additions	465	119
Reversals	-68	-41
Written off as no longer collectable	-21	-63
At the financial year-end	**725**	**371**

Provisions for doubtful debts are generally made on an individual basis, when needed. There is a risk that a loss will be suffered on a receivable. This risk is limited because a rental guarantee of at least 1 month's rent, and in most cases 2 months' rent, is requested at the start of the tenancy agreement.

The provision for doubtful debts is set up as follows: the list of rent arrears is monitored internally. Based on an assessment by the management or when there are clear indications that the receivables can no longer be collected, a provision is established. A provision of KEUR 725 was established on 31 December 2020. This amount includes a transferred provision of KEUR 276. This provision was set up for an acquired subsidiary. The risk of losing this receivable is therefore included in the purchase price and is borne by the seller.

Receivables ageing summary

Figures in thousands of EUR Ageing of outstanding customers	31/12/2020	31/12/2019
not due	96	2
1-30 days	2,616	-222
31-60 days	486	185
61-90 days	197	177
more than 90 days	1,953	1,198
Total	**5,349**	**1,341**

10.9.14 TAX RECEIVABLES AND OTHER CURRENT ASSETS

Figures in thousands of EUR	31/12/2020	31/12/2019
Tax receivables and other current assets		
Tax to be reclaimed	1,304	-121
VAT to be reclaimed	1,608	835
Other	31,482	12,696
Total	**34,394**	**13,410**

As of 31 December 2020, the other current assets include a shareholder loan granted to the Promgranjo joint venture (KEUR 5,721), a shareholder loan granted to the Invest Drève Saint Pierre joint venture (KEUR 10,017) and an advance paid for an acquisition (KEUR 6,000). This also includes a current account position with Aloxe (KEUR 2,470).

This also includes receivables for rental guarantees provided by the sellers of projects acquired in the course of 2019 and 2020. A rental guarantee was given by the seller when All-In Annadal, Alma Student, Campus Besós, XL Fund and subsidiaries Patrimmonia Couronne Franck were acquired. These rental guarantees cover 12 or 36 months. In simple terms, the rental guarantee means that the Seller pays the difference between the theoretical rent in case of 100% occupancy and the actual rent.

10.9.15 CASH AND CASH EQUIVALENTS

Figures in thousands of EUR	31/12/2020	31/12/2019
Cash and cash equivalents		
Banks	9,894	4,255
Petty cash	17	13
Total	**9,911**	**4,269**

There are no restrictions on the use or application of cash and cash equivalents. This concerns KEUR 1,030 of the cash position as of 31 December 2020.

10.9.16 ACCRUALS AND DEFERRED PAYMENTS – ASSETS

Figures in thousands of EUR	31/12/2020	31/12/2019
Accruals and deferred payments- assets		
Accrued rental income	259	36
Prepaid property charges	1,845	1,247
Other	3,637	820
Total	**5,741**	**2,103**

Other includes general costs to be transferred, service costs to be settled in the Netherlands, other accrued income and interest accrued.

10.9.17 CAPITAL AND ISSUE PREMIUMS

Figures in EUR		Previous capital (EUR)	Capital increase (EUR)	New capital (EUR)	Previous number of shares	New number of shares	Accounting par value (EUR)
Evolution of capital							
Date	**Transaction**						
10/03/2014	Transaction Incorporation of company		20,000.00	20,000.00		200.00	100.00
23/09/2015	Capital increase	20,000.00	1,230,000.00	1,250,000.00	200.00	12,500.00	100.00
23/11/2015	Share split	1,250,000.00		1,250,000.00	12,500.00	42,500.00	29.41
11/12/2015	Sister mergers	1,250,000.00	23,328,937.02	24,578,937.02	42,500.00	975,653.00	25.19
11/12/2015	Capital increase by way of non-cash contribution as a result of the Share Contribution	24,578,937.02	3,256,783.01	27,835,720.03	975,653.00	1,105,923.00	25.17
11/12/2015	Mergers by acquisition	27,835,720.03	3,696,060.08	31,531,780.11	1,105,923.00	1,253,764.00	25.15
11/12/2015	Capital increase below accounting par value through cash contributions for the issue of new shares	31,531,780.11	58,710,898.28	90,242,678.39	1,253,764.00	4,626,780.00	19.50
11/12/2015	Capital reduction to create a reserve to cover foreseeable losses	90,242,678.39	-6,960,638.39	83,282,040.00	4,626,780.00	4,626,780.00	18.00
1/03/2016	Merger with Devimmo NV	83,282,040.00	4,151,826.00	87,433,866.00	4,626,780.00	4,857,437.00	18.00
1/08/2016	Merger with CPG CVBA	87,433,866.00	1,320,948.00	88,754,814.00	4,857,437.00	4,930,823.00	18.00
11/10/2016	Woonfront Tramsingel BV contribution in kind	88,754,814.00	6,114,204.00	94,869,018.00	4,930,823.00	5,270,501.00	18.00
17/01/2017	KVS project contribution in kind	94,869,018.00	2,669,976.00	97,538,994.00	5,270,501.00	5,418,833.00	18.00
22/06/2017	Capital increase	97,538,994.00	48,769,488.00	146,308,482.00	5,418,833.00	8,128,249.00	18.00
26/03/2018	Enschede project contribution in kind	146,308,482.00	9,317,304.00	155,625,786.00	8,128,249.00	8,645,877.00	18.00
12/06/2018	Capital increase	155,625,786.00	77,812,884.00	233,438,670.00	8,645,877.00	12,968,815.00	18.00
12/12/2018	All-In Annadal B.V. contribution in kind	233,438,670.00	14,400,000.00	247,838,670.00	12,968,815.00	13,768,815.00	18.00
4/06/2019	Optional dividend	247,838,670.00	2,702,574.00	250,541,244.00	13,768,815.00	13,918,958.00	18.00
13/06/2019	Stratos KVK N.V. contribution in kind	250,541,244.00	7,756,002.00	258,297,246.00	13,918,958.00	14,349,847.00	18.00
27/10/2019	Capital increase	258,297,246.00	86,099,076.00	344,396,322.00	14,349,847.00	19,133,129.00	18.00
18/06/2020	Capital increase through contribution in kind	344,396,322.00	2,918,916.00	347,315,238.00	19,133,129.00	19,295,291.00	18.00
7/10/2020	Patrimmonia Couronne - Franck N.V. contribution in kind	347,315,238.00	11,835,702.00	359,150,940.00	19,295,291.00	19,952,830.00	18.00
25/11/2020	Capital increase	359,150,940.00	19,684,998.00	378,835,938.00	19,952,830.00	21,046,441.00	18.00

Evolution of issue premiums

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 Tramsingel BV contribution in kind	4,517
17/01/2017	KVS project contribution in kind	2,394
22/06/2017	Capital increase	35,222
26/03/2018	Enschede project contribution in kind	8,800
12/06/2018	Capital increase	53,332
12/12/2018	Contribution in kind All-In Annadal	15,230
4/06/2019	Optional dividend	3,378
13/06/2019	Stratos KVK N.V. contribution in kind	10,241
27/10/2019	Capital increase	115,582
18/06/2020	Capital increase through contribution in kind	4,581
7/10/2020	Patrimmonia Couronne - Franck N.V. contribution in kind	22,047
25/11/2020	Capital increase	34,996
Total issue premiums as at 31/12/2020		**338,065**
Unavailable issue premiums		**298,447**
Available issue premiums		**39,617**

The Extraordinary General Meeting of 15 December 2017 made available EUR 4,621 of the share premiums. In the capital increase from 25 November 2020, KEUR 34,996 was allocated to the available issue premiums.

Issued capital
At the Extraordinary General Meeting of 6 November 2019, the Board of Directors was authorised to increase the share capital in one or more instalments. For this purpose, see Article 7 of the Articles of Association included in *Chapter 12.4 of this Annual Report*.

This authorisation was granted to the Board of Directors for a five-year period from the publication in the Annexes to the Belgian Official Journal of the minutes of the extraordinary general meeting of 6 November 2019. This authorisation can be renewed. The Board of Directors will determine the price, any issue premium and the issue conditions of the new securities for each capital increase.

These capital increases may be implemented by cash contributions, non-cash contributions, mixed contributions or the conversion of reserves, including retained profits and issue premiums, as well as all equity components under the Company's IFRS statutory annual financial statement (drawn up under the Legislation on Regulated Real Estate Companies) that are subject to conversion into capital, whether or not with the creation of new securities, in accordance with the rules prescribed by the Belgian Companies and Associations Code, Legislation on Regulated Real Estate Companies and Articles of Association.

The Board of Directors may at such occasion issue new shares with the same or different rights (such as voting rights, dividend rights, including whether or not any preferential dividend is transferable, and/or rights relating to the liquidation balance and any preference with regard to the repayment of capital) as the existing shares and amend the Articles of Association in that regard to give effect to such different rights. If the capital increases decided by the Board of Directors include an issue premium, the Board of Directors must place the issue premium amount – possible reduced by an amount up to the costs of the capital increase as referred to by the applicable IFRS rules – in a non-distributable reserve account to serve as a guarantee to third parties in the same way as the capital. Subject to the issue premium's incorporation into the capital, it can only be reduced or abolished in a resolution at the general shareholders' meeting in accordance with the quorum and majority rules applicable to amendments of the Articles of Association.

Without prejudice to the application of Articles 7:188 to 7:193 and Article 7:201 of the Belgian Companies and Associations Code, the Board of Directors may restrict or cancel the pre-emptive right, even when this is done for the benefit of one or more specific persons other than employees of the Company or its subsidiaries. In principle, this is only possible to the extent that existing shareholders are granted an irreducible allocation right when new securities are granted (to the extent required by law). This irreducible allocation right must at least comply with the conditions as set out in Article 11.1 of the Articles of Association. Notwithstanding the application of Articles 7:190 to 7:194 of the Belgian Companies and Associations Code, such restrictions with regard to the restriction or cancellation of the pre-emptive right do not apply to a cash contribution with any restriction or cancellation of the pre-emptive right, in addition to a non-cash contribution as part of the distribution of an optional dividend, insofar as this is actually made payable in respect of all shareholders. In this context, the Company draws particular attention to the possibility of increasing the capital by means of a private placement without such an irreducible allocation right (limited to 10% new shares per 12 months) recently included in the Legislation on Regulated Real Estate Companies, and which the authorisation for authorised capital granted by the general meeting also permits (together with the authorisation for a contribution in kind limited to 10%).

If securities are issued in return for a non-cash contribution, the conditions as stated in Article 11.2 of the Articles of Association must be fulfilled (including the possibility of deducting an amount that corresponds to the portion of the unpaid gross dividend). However, the special rules on a capital increase by non-cash contribution, as set out under Article 11.2, do not apply to the contribution of the right to a dividend as part of the distribution of an optional dividend, insofar as this is actually made payable in respect of all shareholders.

Under the same conditions as set out above and subject to the applicable statutory provisions, the Company may, with the exception of profit-sharing certificates and similar securities, issue the securities referred to in Article 7:22 of the Belgian Companies and Associations Code and any other securities permitted by company law in accordance with the rules prescribed for that purpose and the Legislation on Regulated Real Estate Companies.

The right in relation to the issued capital may never be used for the following transactions:

(i) Capital increases that are mainly brought about by a non-cash contribution exclusively reserved for a shareholder of the Company who holds securities of the Company to which more than 10% of the voting rights are attached. Securities held by the following persons are added to those held by this shareholder (Article 7:201(1)(1) of the Belgian Companies and Associations Code):

- a third party acting in their own name but on behalf of the aforementioned shareholder;
- a natural person or legal entity affiliated with the aforementioned shareholder;
- a third party acting in their own name but on behalf of a natural person or legal entity affiliated with the aforementioned shareholder;
- persons acting in joint consultation, which refers to (a) the natural persons or legal entitles who act in joint consultation within the meaning of Article 3, Section 1(5)(a) of the Belgian Law of 1 April 2007, (b) the natural persons or legal entities that have entered into an agreement for the coordinated exercise of their voting rights in order to pursue a sustainable, common policy in relation to the Company, and (c) the natural persons or legal entities that have entered into an agreement with regard to acquiring, holding or transferring voting securities;

(ii) The issue of no-par-value shares below the accounting par value of the same type of old shares (Article 7:201(1)(2) of the Belgian Companies and Associations Code);

(iii) The issue of warrants that are mainly intended for one or more specific persons, other than employees of the Company or of one or more of its subsidiaries (Article 7:201(1)(3) of the Belgian Companies and Associations Code).

The capital was increased three times by means of the issued capital in the course of 2020. The balance of the authorised capital as of 31 December 2020 amounts to (a) (a maximum of) EUR 172,198,161.00 (for capital increases in cash with pre-emptive right or irreducible allocation rights, (b) (a maximum of) EUR 172,198,161.00 (for capital increases within the framework of the optional dividend), and (c) EUR 16.20 (for other contributions in kind or cash) respectively. On 6 November 2019, the approval for issued capital was renewed. For this purpose, see Article 7 of the Articles of Association included in *Chapter 12.4 of this Annual Report*.

10.9.18 SHAREHOLDER STRUCTURE

Taking into account the received transparency notifications and the information in Xior Student Housing NV's possession, the main shareholders on 31 December 2020 are:

Shareholder	%
Aloxe NV: – Mr C. Teunissen and Mr F. Snauwaert	17.11%[1]
AXA Investment Managers SA[2]	9.11%[3]

1 Based on the transparency notification of 12 December 2018 and publicly available information (including the denominator as of 25 November 2020).
2 AXA Investment Managers S.A. makes the transparency notification as controlling person for AXA Investment Managers Paris S.A., AXA Real Estate Investment Managers S.A. and AXA Real Estate Investment Managers SGP.
3 Based on the transparency notification as of 3 April 2020.

Please also refer to *Chapter 6.1.3 of this Annual Report*.

The transparency notifications can be consulted on the Company's website (www.xior.be under the heading Investor Relations – Shareholder Structure).

10.9.19 EARNINGS PER SHARE

	31/12/2020	31/12/2019
Number of ordinary shares in circulation	21,046,441	19,133,129
Weighted average number of shares	19,560,351	14,996,135
Net result per ordinary share (in EUR)	-2.14	0.51
Diluted net result per ordinary share (in EUR)	-2.14	0.51
EPRA earnings per share (in EUR)	**1.74**	**1.61**
EPRA earnings per share (in EUR) share of the group	**1.70**	**1.60**

10.9.20 OTHER NON-CURRENT FINANCIAL LIABILITIES

The other non-current financial liabilities on 31 December 2020 are KEUR 26,530. They relate to the market value of the outstanding *interest rate swap* (IRS) agreements on 31 December 2020.

31/12/2020

IFRS classification	Level (IFRS)	Notional amount	Interest rate (in %)	Expires on	Fair value liabilities
Interest Rate Swap	2	45,000,000	0.65	30/12/2027	-3,050,781
Interest Rate Swap	2	52,000,000	0.465	29/12/2023	-1,584,088
Interest Rate Swap	2	18,000,000	0.59	30/12/2024	-812,808
Interest Rate Swap	2	25,000,000	0.7	1/04/2025	-1,352,578
Interest Rate Swap	2	12,500,000	0.09	30/09/2026	-401,234
Interest Rate Swap	2	12,500,000	0.14	28/09/2029	-531,757
Interest Rate Swap	2	30,000,000	0.413	9/08/2029	-2,069,763
Interest Rate Swap	2	48,000,000	0.416	9/11/2027	-2,903,921
Interest Rate Swap	2	22,000,000	0.9765	30/06/2028	-2,337,328
Interest Rate Swap	2	25,000,000	0.185	11/12/2028	-1,161,837
Interest Rate Swap	2	25,000,000	1.01	31/12/2029	-3,109,847
Interest Rate Swap	2	25,000,000	1.1225	31/12/2030	-3,629,411
Interest Rate Swap	2	25,000,000	0.895	30/06/2027	-2,286,134
Interest Rate Swap	2	32,500,000	0.195	24/06/2025	-533,947
Interest Rate Swap	2	32,500,000	0.195	24/06/2025	-533,947
Interest Rate Swap	2	25,437,500	0.785	7/02/2029	-2,021,214
Floor	2	15,000,000		5/05/2021	34,825
Floor	2	10,000,000		31/03/2024	182,188
Floor	2	20,000,000		30/09/2023	308,324
Floor	2	10,000,000		31/05/2021	27,160
Floor	2	15,000,000		5/05/2022	119,731
Floor	2	20,000,000		31/03/2023	252,168
Floor	2	10,000,000		11/12/2023	168,688
Floor	2	10,000,000		31/01/2023	125,691
Floor	2	15,000,000		30/04/2024	293,958
Floor	2	25,000,000		31/12/2021	138,835
Floor	2	25,000,000		31/12/2021	138,835
TOTAL					**-26,530,192**

31/12/2019

IFRS classification	Level (IFRS)	Notional amount	Interest rate (in %)	Expires on	Fair value liabilities
Interest Rate Swap	2	30,000,000	0.413	9/08/2029	-960,994.21
Interest Rate Swap	2	48,000,000	0.416	9/11/2027	-1,726,018.48
Interest Rate Swap	2	22,000,000	0.9765	30/06/2028	-1,821,572.22
Interest Rate Swap	2	25,000,000	0.15	6/06/2026	-438,756.89
Interest Rate Swap	2	25,000,000	1.01	31/12/2029	-2,199,125.06
Interest Rate Swap	2	25,000,000	1.1225	31/12/2030	-2,554,557.58
Interest Rate Swap	2	32,500,000	0.195	24/06/2025	-200,345.57
Interest Rate Swap	2	32,500,000	0.195	24/06/2025	-200,345.57
Interest Rate Swap	2	25,000,000	0.895	30/06/2027	-1,645,406.42
Interest Rate Swap	2	45,000,000	0.65	30/12/2027	-1,981,510.51
Interest Rate Swap	2	52,000,000	0.465	29/12/2023	-1,515,484.00
Interest Rate Swap	2	18,000,000	0.59	30/12/2024	-714,462.00
Interest Rate Swap	2	25,000,000	0.7	1/04/2025	-1,140,994.00
Interest Rate Swap	2	12,500,000	0.09	30/09/2026	-94,772.00
Interest Rate Swap	2	12,500,000	0.14	28/09/2029	45,275.00
Floor	2	20,000,000		30/09/2023	262,008.12
Floor	2	20,000,000		31/03/2023	227,906.12
Floor	2	10,000,000		31/05/2021	58,485.41
Floor	2	10,000,000		31/01/2023	115,616.66
Floor	2	15,000,000		30/04/2024	238,371.90
Floor	2	10,000,000		31/03/2024	148,838.17
Floor	2	15,000,000		5/05/2022	134,473.73
Floor	2	15,000,000		5/05/2021	83,729.29
Floor	2	10,000,000		11/12/2020	39,324.72
Floor	2	25,000,000		31/12/2021	186,537.80
Floor	2	25,000,000		31/12/2021	186,537.80
TOTAAL					**-15,467,239.79**

The market value of the outstanding *Interest Rate Swap* contracts is received from the various financial institutions.

10.9.21 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities (KEUR 23,333) relate to the put option on the remaining 20% of Mosquera Directorship shares, 10% on XL Fund shares and 50% on Invest Drève Saint Pierre shares. This liability was recorded for Mosquera and XL Fund against equity (as a deduction from equity – IFRS liability), which has a negative impact on the NAV per share. When the option is exercised, this negative amount will be recorded in equity against minority interests.

Figures in thousands of EUR	31.12.2020	31.12.2019
Put/call option remaining 20% Mosquera shares	19,112	19,329
Put/call option remaining 10% XL shares	2,481	0
Put/call option remaining 50% Invest Drève Saint Pierre shares	354	0
Other liabilities	1,386	0
Total	**23,333**	**19,329**

The decrease in debt for the Mosquera put/call option is due to a fall in the value of the property.

If the FV of the property rises or falls by 10%, this will have an impact of +10% or -10% on the option price for Mosquera and XL Fund. An increase or decrease in the fair value of the property held by Invest Drève Saint Pierre has no impact on the option price.

10.9.22 DEFERRED TAXES

Figures in thousands of EUR	31/12/2020	31/12/2019
Deferred taxes – liabilities		
Exit tax	3.335	0
Deferred taxes on capital gains on property abroad	47.815	46.813
Total	**51.150**	**46.813**

These are deferred taxes on Dutch, Spanish and Portuguese property.

Please also refer to *Chapter 10.9.7 of the Annual Report*.

10.9.23 FINANCIAL DEBTS

Figures in thousands of EUR	31/12/2020	31/12/2019
Non-current financial debts		
Bilateral loans – variable or fixed interest rate	732,231	501,475
Loan withdrawal costs	-1,562	-1,050
Total	**730,669[9]**	**500,425**

Figures in thousands of EUR	31/12/2020	31/12/2019
Non-current financial debts (excl. interests) Breakdown according to maturity		
Between one and two years	150,044	80,854
Between two and five years	362,800	380,517
More than five years	219,388	40,104
Total	**732,231[9]**	**501,475**

Figures in thousands of EUR	31/12/2020	31/12/2019
Undrawn loans		
Due within one year	9,514	0
Due after one year	91,000	208,000
Total	**100,514**	**208,000**

The financial debts that have been closed at Xior Student Housing level are without underlying collateral. Exceptions to this are loans taken out by subsidiaries, i.e. the loan from Stratos KVK, the loan from I Love Vols B.V., the loan from Uhub Benfica and the loan from Uhub São João. This was taken over on acquisition of 100% of the shares. This loan is partly secured by securities.

The majority of the financial debts have a variable interest rate. Some of the financing concluded has a fixed interest rate. IRS contracts were signed to hedge part of the loans and swap the variable interest rates for fixed interest rates. A total of 455,438 KEUR in financing is hedged with IRS contracts. This means 56% of withdrawn financing is hedged. There is KEUR 175,474 in loans at fixed interest rates, which results in a hedge (IRS + fixed interest rate) of 77% compared with the withdrawn financing.

[9] This amount does not include the financial leasing obligations (KEUR 2,513). These relate to leasehold obligations for 2 projects in development.

Figures in thousands of EUR	31/12/2020	31/12/2019
Estimated future interest charges		
Within one year	11,545	6,622
Between one and five years	31,779	22,142
More than five years	17,819	5,740
Total	**61,143**	**34,504**

Figures in thousands of EUR	31/12/2020	31/12/2019
Liquidity liability on maturity dates associated with the hedging instruments		
Within one year	2,512	2,304
Between one and five years	9,257	9,214
More than five years	5,509	8,596
Total	**17,279**	**20,114**

The estimate of future interest expenses takes into account the debt position on 31 December 2020.

Xior Student Housing had KEUR 920,813 of committed credit agreements as at 31 December 2020. For Xior Student Housing's debt ratio, please refer to ***Chapter 10.9.34 of this Annual Report***. This concerns *bullet* loans taken out with various banks and with terms varying from 3 to 10 years. The average term is 4.51 years. Some of these credit agreements contain cross-default provisions that allow the creditor to demand the early repayment of the credit (or to cancel or renegotiate the credit) in the event of Xior breaching one of its other credit agreements.

The following table gives an overview of the impact on the fair value and IRSs if the interest rate were to rise or fall by up to 0.20%:

Change in interest rate	Impact on change in fair value of IRSs on 31/12/2020
-0.20%	-5,355 KEUR
+0.20%	+5,333 KEUR

Change in interest rate	Impact on change in fair value of IRSs on 31/12/2019
-0.20%	-6,103 KEUR
+0.20%	+9,652 KEUR

The Company must comply with the necessary covenants in the context of its financing agreements. As at 31 December 2020, with the exception of what is set out below, Xior is in compliance with all covenants set forth. As a result of the acquisition of the Zernike Tower in Groningen on 16 December 2020 with a total investment value of approx. 91.5 MEUR, of which the rental income only counted for a few days in 2020, the Company failed to comply with an Adjusted Debt Yield Ratio of at least 6% during the calculation period ending on 31 December 2020, as required under the credit agreement of 30 April 2020 with ING Belgium NV. The Company obtained a waiver for this temporary, technical breach from ING Belgium NV on 5 February 2021. Under the credit agreement of 10 October 2019 between Xior and ABN Amro Bank NV, Xior is required, pursuant to a so-called "most favoured nation" clause, to notify ABN Amro Bank NV without delay of any grant of a financial covenant that has not been granted to ABN Amro Bank NV, and if requested, to agree to an amendment of the credit agreement with ABN Amro Bank NV so that the financial covenant is incorporated into this credit agreement. The Company did not immediately report the granting of the Adjusted Debt Yield Ratio to ING Belgium NV (see above) to ABN Amro Bank NV, thus violating this "most favoured nation" clause. The Company informed ABN Amro Bank NV immediately after this violation had been established about the granting of the Adjusted Debt Yield Ratio to ING Belgium NV and undertook to grant the changes to the credit agreement with ABN Amro Bank NV desired by ABN Amro Bank NV. ABN Amro Bank NV has confirmed that the compliance with the most favoured nation clause is thus fulfilled and that it will not terminate the credit agreement prematurely because of this breach of the most favoured nation clause. The credit agreement dated 10 October 2019 (as amended on 21 December 2020) between Xior and ABN Amro Bank NV, provides that certain subsidiaries of Xior Student Housing NV will join the credit agreement as guarantors, guaranteeing the payment of all commitments under the credit agreement. The guarantee agreement of 1 October 2020 relating to the credit agreement of 24 June 2019 between Xior and Natixis SA, Caisse d'Épargne Hauts de France SA, China Construction Bank (Europe) SA and Banque Internationale à Luxembourg SA stipulates that a guarantee will be provided by various subsidiaries of Xior Student Housing NV for the benefit of Xior in favour of the lenders. The aforementioned guarantees, known as "subsidiary guarantees", are prima facie irrevocable, unconditional and abstract guarantees on first demand. By means of a waiver letter, various banks have previously waived the grounds for cancellation or suspension which would trigger the provision of these subsidiary guarantees due to a breach of the negative pledge provisions included in the respective loans, so that these subsidiary guarantees did not have any impact on these loans. However, for these specific subsidiary guarantees no prior waiver letters were obtained from ING Belgium NV and Banque de Luxembourg in the context of the credits outstanding with them. By additional waiver letters dated 1 and 4 February 2021 respectively, ING Belgium NV and Banque de Luxembourg did (and the latter only conditionally, i.e. subject to the submission of certain documents by Xior, which in principle are easy to deliver) waived the grounds for cancellation or suspension which would trigger the provision of these subsidiary guarantees in favour of ABN Amro Bank NV and Natixis, Caisse d'Épargne Hauts de France SA, China Construction Bank (Europe) SA and Banque Internationale à Luxembourg SA for breach of the negative pledge provisions included in the respective credits with ING Belgium NV and Banque de Luxembourg, so that the subsidiary guarantees had no impact on these credits.

A 60% maximum debt ratio (see calculation provided in the Belgian Royal Decree on Regulated Real Estate Companies), an interest cover ratio of at least 2.5, an adjusted debt yield ratio of 6% and minimal hedging of 70%. For a more detailed description of the financing agreements signed by the Company, please also refer to *Chapter 5.3.1 of this Annual Report.*

2020 interest rate sensitivity

If the Euribor interest rate (3m, 12m and/or 6m) were to increase by 20 basis points, this would have an impact of KEUR 32 on the interest to be paid by the Company by 2021. This sensitivity estimate takes into account concluded hedging transactions.

Reconciliation of debt from financing activities

The table below shows the changes in Xior's financing activities[10].

	31/12/2019	Cash flows	Non-cash changes			Reclassification	31/12/2020
			Reconstitution of the nominal amount	changes in the fair value	taken over upon acquisition		
Long-term credit	500,425	258,774	-1,202		62,981	-90,309	730,669
Short-term credit	1,706	-1,706				90,309	90,309
Financial instruments	15,467			9,042	2,021		26,530
Total	**517,598**	**257,068**	**-1,202**	**9,042**	**65,002**	**0**	**847,508**

	31/12/2018	Cash flows	Non-cash changes		Reclassification	31/12/2019
			Reconstitution of the nominal amount	changes in the fair value		
Long-term credit	401,177	100,810	-717		-845	500,425
Short-term credit	1,637	-776			845	1,706
Financial instruments	6,317			9,150		15,467
Total	**409,131**	**100,034**	**-717**	**9,150**	**0**	**517,598**

10.9.24 TRADE DEBTS

Figures in thousands of EUR	31/12/2020	31/12/2019
Trade debts		
Trade debts	7,283	4,378
Invoices to be received	3,312	1,278
Taxes and social security contributions	4,036	4,257
Liquidation bonus to be paid	0	0
Exit tax	-108	206
Customer advances		
Other	663	686
Total	**15,186**	**10,807**

The taxes and social security are mainly estimated taxes on permanent establishments and subsidiaries and payable VAT.

[10] This overview does not take into account the financial leasing debts (ground lease contracts).

10.9.25 OTHER CURRENT LIABILITIES

Other current liabilities KEUR 15,846 (2019: KEUR 50,906) include rental guarantees received from tenants, a put option on shares in a real estate company and a put option on the remaining 50% shares in Promgranjo. The decrease in other current liabilities is due to the exercise of the options with regard to the uhub entities.

On 31 December 2019, the company had a put and call option on the remaining 50% of the shares of its joint venture partner Promgranjo, on 60% of the shares of Uhub Benfica and on 75% of the shares of Uhub São João. The expected option price (KEUR 42,869) for the remaining shares was therefore already included as a liability in the financial statements as at 31 December 2019. These options with regard to U.hub Companies were exercised at the end of 2020.

10.9.26 ACCRUED LIABILITIES AND DEFERRED INCOME

Figures in thousands of EUR	31/12/2020	31/12/2019
Accrued liabilities and deferred income		
Deferred income	490	1,176
Real estate expenses to be allocated	1,121	860
Accrued interests	1,794	2,083
Other	1,872	1,147
Total	**5,277**	**5,266**

The income to be carried over relates mainly to rent paid in advance. Accrued expenses are mainly property tax assessments and property taxes still to be received.

Other accruals and deferred payments are mainly general expenses still due.

10.9.27 FINANCIAL ASSETS AND LIABILITIES

	31/12/2020		31/12/2019		
Figures in thousands of EUR	Carrying amount	Fair value	Carrying amount	Fair value	Level
Summary of financial assets and liabilities					
Assets					
Financial fixed assets	**8,489**	**8,489**	**63,891**	**63,891**	
Financial fixed assets	4,166	4,166	25	25	Level 2
Trade receivables and other fixed assets	135	135	135	135	Level 2
Deferred taxes – assets	1,013	1,013	96	96	Level 2
Participating interests in associated companies and joint ventures	3,175	3,175	63,635	63,635	Level 2
Financial current assets	**49,192**	**49,192**	**18,842**	**18,842**	
Trade receivables	4,887	4,887	1,163	1,163	Level 2
Tax receivables and other current assets	34,394	34,394	13,410	13,410	Level 2
Cash and cash equivalents	9,911	9,911	4,269	4,269	Level 1
Total financial assets	**57,681**	**57,681**	**82,733**	**82,733**	
Liabilities					
Non-current financial liabilities	**783,045**	**790,072**	**535,221**	**535,617**	
Non-current financial liabilities	733,182	740,209	500,425	500,821	Level 2
Financial derivatives	26,530	26,530	15,467	15,467	Level 2
Other non-current liabilities	23,333	23,333	19,329	19,329	Level 2
Current financial liabilities	**121,341**	**121,341**	**63,419**	**63,419**	
Current financial liabilities	90,309	90,309	1,706	1,706	Level 2
Trade debts and other current liabilities	15,186	15,186	10,807	10,807	Level 2
Other current liabilities	15,846	15,846	50,906	50,906	Level 2
Total financial liabilities	**904,386**	**911,413**	**598,640**	**599,036**	

Trade debts and payables are recorded at amortised cost. The change in the Fair Value of financial derivatives is entered via the result.

Fair value
Since the trade debts and payables are current, the fair value almost approximates the nominal value of the financial assets and liabilities in question. As per 31 December 2020, Xior Student Housing has KEUR 175,473 in financial debts at fixed interest rates. The rest of the financial debts are at variable interest rates. A fair value was calculated for the loans that were repaid at a fixed interest rate. This fair value differs from the carrying amount. For the loans taken out at variable interest rates, the fair value equals the

carrying amount. These loans are partially hedged with IRS - contracts.

For the definitions of the levels, please refer to *Chapter 10.9.8 of this Annual Report.*

10.9.28 TRANSACTIONS WITH RELATED PARTIES

Figures in thousands of EUR	31/12/2020	31/12/2019
Transactions with related parties		
Management fee	879	934
Fee of independent directors	117	114
Total	**996**	**1,048**
Receivables from Aloxe	2,470	1,720

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

The fee for directors and executives is recognised under the item "*General expenses of the Company*" (see ***Chapter 10.9.3 of this Annual Report***).

Directors and executives do not receive any further benefits at the expense of the Company. We refer for this purpose to the remuneration report in ***Chapter 6.1.17 of this Annual Report***.

On 31 December 2020, Xior Student Housing NV had KEUR 2,470 in receivables from Aloxe, the Company's main shareholder. These receivables resulted mainly from the provided rental guarantees for certain projects during the IPO.

10.9.29 STATUTORY AUDITOR'S FEE

Pursuant to Article 7:99, Section 7 of the Belgian Companies and Associations Code, the 70% rule must be assessed in relation to Xior Student Housing NV and may not be exceeded.

Figures in thousands of EUR	31/12/2020	31/12/2019
Mandate of the Statutory Auditor (Xior Student Housing NV)	47	46
Mandate of the Statutory Auditor (subsidiaries)	28	20
Audit engagements under the Belgian Companies Code	35	16
Other audit engagements (comfort letter and so on)	22	29
Tax consultancy assignments	0	0
Other assignments outside the audit engagements	0	0
TOTAL	**132**	**111**

10.9.30 ACQUIRED REAL ESTATE COMPANIES AND INVESTMENT PROPERTY

The Company is achieving its growth strategy and its portfolio contained 118 properties on 31 December 2020. The acquisitions achieved in the course of 2020 are explained briefly below.

10.9.30.1 Property acquisitions

The Company has not acquired any properties through a sale-purchase against payment in cash (property acquisitions).

10.9.30.2 Share acquisitions

The Company acquired 100% of the shares in several real estate companies through a sale-purchase against payment in cash or shares.

Acquisition of 85% of U. hub Operations shares

Uhub Operations	
Summary of acquired assets and liabilities (100%)	
Investment property	
Other assets	123
Cash and cash equivalents	6
Equity	75
Deferred taxes	
Other debt	54
Adjusted equity	75
Adjusted equity (85%)	64
Purchase price of shares	**61**

Exercise of call option on remaining 75% and 60% of the shares of U.hub São João and U.hub Benfica

On 22 December 2020, Xior acquired the remaining shares in Uhub Benfica (60%) and Uhub São João (75%), which owns three student complexes in Lisbon and one in Porto, respectively, as already planned for acquirement in December 2019. The buildings were recently completed and generate rental income.

Uhub São João	
Summary of acquired assets and liabilities (100%)	
Investment property	28,525
Other assets	232
Cash and cash equivalents	312
Equity	15,517
Deferred taxes	0
Non-current debts	13,045
Other debt	507
Adjusted equity	15,517
Purchase price of shares	**15,997**

Uhub Benfica	
Summary of acquired assets and liabilities (100%)	
Investment property	33,125
Other assets	387
Cash and cash equivalents	240
Equity	20,079
Deferred taxes	0
Non-current debts	13,218
Other debt	455
Adjusted equity	20,079
Purchase price of shares	**20,274**

Zernike Tower Groningen

On 16 December 2020, Xior acquired Zernike Tower in Groningen, which was acquired and developed in 2018 by the global investment company KKR. This recently completed (2020), eye-catching tower at a height of 74 metres is already operational, fully rented out and adds 698 self-contained student rooms to Xior's portfolio. All at once, the tower will become Xior's number one asset. This flagship residence is strategically located close to the centre of the city and only a two-minute cycle from the Zernike student campus in Groningen, one of the top four student cities in the Netherlands. The total investment value is approximately MEUR 91.5 and the expected initial yield is approximately 6%.

VBRE Groningen

Summary of acquired assets and liabilities (100%)	
Investment property	86,783
Other assets	1,211
Cash and cash equivalents	1,187
Equity	33,451
Non-current debts	53,272
Other debt	2,458
Adjusted equity	33,451
Purchase price of shares	**33,468**

Voskenslaan & Docks Ghent

On 6 November 2020, Xior signed an agreement on the acquisition of 2 development projects in Ghent located at the Voskenslaan and at the Sint-Pietersplein. A total of 160 student rooms will be developed here.

Voskenslaan

Summary of acquired assets and liabilities (100%)	
Investment property	6,093
Other assets	2
Equity	5,339
Exit tax	750
Other debt	6
Adjusted Equity	5,339
Purchase price of shares	**5,291**

Docks Ghent

Summary of acquired assets and liabilities (100%)	
Investment property	2,117
Other assets	20
Equity	-33
Exit tax	
Other debt	2,170
Adjusted Equity	-33
Purchase price of shares	**739**

365 Rooms - Brussel

On 7 October 2020, Xior signed an agreement on the acquisition of the "365 Rooms" student residence in Elsene (Brussels), Belgium. This fully operational and sustainable residence was completed in 2014 in consultation with VUB/ULB and is in an exceptionally favourable location in Brussels, the largest student city in Belgium. In addition to 323 student rooms, the residence also includes 5 studios, 9 apartments and approximately 1,000m² of multi-purpose rooms. The contributor offers a rental guarantee for a period of 3 years for full occupancy. The total investment value of this acquisition is approximately MEUR 34 million, with an expected initial yield of 5.5%, whereby Xior paid the purchase price in full by means of a contribution in kind. As a result of this contribution, which entails a capital increase (including a share premium) of EUR 33,883,013, 657,539 new shares were issued by Xior Student Housing. The shares have been listed since 13 October 2020. The issue price (rounded off) was EUR 51.53 per share. The transaction resulted in an equity increase of EUR 33,883,013, of which EUR 11,835,702 was assigned as capital and the balance of EUR 22,047,311 was assigned as Issue Premiums after deduction of the costs of the capital increase according to the applicable IFRS rules.

Patrimmonia Couronne Franck

Summary of acquired assets and liabilities (100%)	
Investment property	32,770
Other assets	188
Cash and cash equivalents	225
Equity	32,726
Non-current debts	
Other debt	457
Adjusted equity	32,726
Purchase price of shares	**33,883**

LAUNCH OF 'XL FUND': A COLLABORATION BETWEEN XIOR (90%) AND LIFE (10%)

On 18 June 2020, Xior announced the launch of 'XL Fund': a collaboration between Xior and property developer LIFE (with a 90% Xior – 10% LIFE distribution). From the start, the XL Fund will comprise a substantial portfolio consisting of 6 different student residences and projects at various locations in Belgium and the Netherlands. These projects have all been developed or are still under development by LIFE, for a total expected investment value of around MEUR 155 with an average expected gross yield of 5.83%. In one fell swoop, Xior is taking an important step in the further roll-out of its growth plan and significantly strengthening its position in its historic domestic market. The XL Fund also provides a platform for further potential collaboration between the two parties to further expand the portfolio in Belgium and the Netherlands. Xior has an option on the remaining 10% of the shares of XL Fund (KEUR 2,481).

XL Fund

Summary of acquired assets and liabilities	
Participations	30,063
Other assets	8,034
Cash and cash equivalents	7,395
Equity	24,842
Other debt	20,650
Adjusted equity	24,842
Purchase price of shares (90%)	**22,388**

1. Locations

Katzensprung – Vaals (the Netherlands)

This existing and already operational student residence is located close to the three-border point of the Netherlands, Belgium and Germany and grew out of the University of Aachen's demand for more student housing, as well as the desire of the city of Vaals to provide a solution to the existing scarcity. This location, aimed at students at the German University of Aachen but located just across the border in the Netherlands, offers students the advantage of being able to make use of the Dutch rent subsidy system, which explains the popularity of this destination. This modern residence (completed in 2017) has 460 student rooms and is located on Sneeuwberglaan in Vaals, the Netherlands. It is the ideal place for students to live on a green site, with all the advantages of a nearby city. The residence offers students various facilities including study and relaxation areas, laundry facilities and parking.

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

XL NL Coop 2 (100% participation in I Love Vols)

Summary of acquired assets and liabilities (100%)	
Investment property	
Other assets	12,496
Equity	12,496
Adjusted equity	12,496
Purchase price of shares	**12,496**

I Love Vols

Summary of acquired assets and liabilities	
Investment property	36,620
Other assets	2,665
Cash and cash equivalents	660
Equity	12,496
Deferred taxes	
Non-current debts	25,438
Other debt	2,011
Adjusted equity	12,496
Purchase price of shares	**12,496**

Prince – Antwerp (Belgium)

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

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

6 and 30

Summary of acquired assets and liabilities	
Investment property	12,401
Other assets	105
Cash and cash equivalents	8
Equity	7,090
Exit tax	1,033
Non-current debts	1,773
Other debt	2,618
Adjusted equity	7,090
Purchase price of shares	**7,089**

ARC – Liège (Belgium)

ARC is part of a former university site located between the centre of Liège and the Sart-Tilman campus of the University of Liège, which is currently in full transition to a dynamic site encompassing living, education and leisure. This development involves 232 loft-style units aimed at students and young professionals, supplemented by no less than 2,000 m² of communal areas, including a living room, reading and study room, game and cinema room, gym and yoga room, spa with steam bath, laundry room and a sky lounge with roof terrace. The solar panels, heat pumps, balanced ventilation system and smart building technology make this residence a good example of a fully sustainable building.

This project is held in full ownership by the project company being taken over. The expected investment value amounts to EUR 29,950,000, with an expected gross yield of 5.47%. Completion of the entire project is expected in late 2020 or early 2021. LIFE will provide a partial rental guarantee during the ramp-up period of 2 years from April 2021, during which LIFE will support the XL Fund with the start-up of the commercialisation.

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

Val Benoit

Summary of acquired assets and liabilities	
Investment property	19,549
Other assets	3
Cash and cash equivalents	2
Equity	5,227
Exit tax	819
Non-current debts	9,508
Other debt	4,000
Adjusted equity	5,227
Purchase price of shares	**5,226**

Felix – Antwerp (Belgium) – Savelkoul

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

This development will take place on the basis of a long-term lease of 50 years. The expected investment value amounts to EUR 17,440,000, with an expected gross yield of 5.81% and an additional *earn-out* if additional units could be realised on this site. LIFE will rent the existing social student units from XL Fund on a *triple net* basis for a period of 12 months. Completion of the entire project is expected in 2022.

Savelkoul

Summary of acquired assets and liabilities	
Investment property	6,000
Other assets	70
Cash and cash equivalents	1
Equity	4,771
Exit tax	812
Non-current debts	
Other debt	488
Adjusted equity	4,771
Purchase price of shares	**4,771**

Ariënsplein – Enschede (Netherlands)

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

On 12 March 2018, Xior signed an agreement for the acquisition of a student complex consisting of 271 student rooms (and two education facilities rented out to Saxion University), in the former hospital located at Ariënsplein[11]. This student complex formed part of an old hospital site that was redeveloped by LIFE in various phases into a new city campus. Following this purchase in the first phase, XL Fund is now acquiring the remaining building elements of this development project and the entire 55,000 m² site will be reunited in one hand in full ownership, which can considerably facilitate the development process. These remaining parts include redevelopment of classrooms, additional residential units (young professionals), incubators, offices, co-working and support functions. Together with LIFE, over the next few months the strategic part for XL Fund (student accommodation, classrooms and starter residences, etc.) will be demarcated within this entire site and non-strategic parts will be prepared for redevelopment and sale.

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

XL NL Coop 1

Summary of acquired assets and liabilities (100%)	
Investment property	9,500
Other assets	
Equity	
Deferred taxes	
Other debt	9,500
Adjusted equity	0
Purchase price of shares	**1**

[11] See press release from 12 March 2018

ACQUISITION OF DEVELOPMENT PROJECT IN HASSELT

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

Xior Campus Hasselt

Summary of acquired assets and liabilities (100%)	
Investment property	433
Other assets	23
Cash and cash equivalents	25
Equity	68
Deferred taxes	
Non-current debts	
Other debt	413
Adjusted equity	68
Purchase price of shares	**1,394**

ACQUISITION OF A STUDENT COMPLEX IN GRANADA

On 28 February 2020, Xior signed an agreement, subject to conditions precedent, on the acquisition of a new student residence located in Granada (Andalusia). The former 'colegio mayor', previously known as Loyola and strategically located on the University of Granada's Cartuja campus, has been redeveloped and expanded to become a residence with 347 units (354 beds). Completion and commissioning took place in June 2020, adding a brand-new complex to Xior's portfolio in one of the largest student cities in Spain. The operational company of the seller and developer of the project, Amro Estudiantes, will run the residence for the first two academic years based on a *triple net* lease. After this two-year period, Xior will take over operation. The total anticipated investment value for Xior stands at EUR 37 million, with an expected stabilised gross return of approximately 7%. This acquisition contributes to Xior's results from 18 June 2020, the date on which the acquisition was effectively completed.

Terra Directorship

Summary of acquired assets and liabilities (100%)	
Investment property	37,000
Other assets	163
Equity	16,830
Non-current debts	20,266
Other debt	67
Adjusted equity	16,830
Purchase price of shares	**16,836**

ACQUISITION IN EINDHOVEN – 250 UNITS

On 30 January 2020, Xior acquired a redevelopment project in Eindhoven with an expected 250 independent student units. This transaction has an anticipated investment value of approximately MEUR 32 and is expected to have an initial yield of 6.0%. The completion and commissioning are planned for H2 2022, as the result of which a fully renovated complex will be added to Xior's portfolio. This office building, known as Boschdijk Veste, will be converted into a student residence equipped with all modern comforts. It is expected to consist of 250 individual student rooms, various common areas, an enclosed garden, parking for bicycles, and more. The building is currently let as an office, and will continue to generate income during the period expected to be required to obtain the necessary permits. The permit application and follow-up will be carried out by the vendors, with Xior benefiting from a buyback guarantee if the permit process cannot be concluded successfully.

Stubis NL IV

Summary of acquired assets and liabilities (100%)	
Investment property	14,000
Other assets	
Equity	-786
Deferred taxes	
Other debt	14,787
Adjusted equity	-786
Purchase price of shares	**8,000**

For the accounting treatment of these acquisitions, please refer to the principle for consolidation.

10.9.31 AVERAGE HEADCOUNT AND BREAKDOWN OF STAFFING COSTS

	31/12/2020	31/12/2019	31/12/2018
Average headcount (in FTE)	80.26	35.82	21
Blue collars	6	6	6
White collars	145	51	22
Executive staff	1	1	1
Administrative staff	23	12	3
Commercial staff	95	34	13
Technical staff	26	4	5
Staffing costs (in thousands of EUR)	**4,199**	**1,887**	**1,199**
Remuneration and direct social benefits	3,068	1,431	907
Company social security contributions	732	365	251
Company contributions for non-compulsory insurance policies	126	25	11
Other staffing costs	273	66	31

10.9.32 EVENTS AFTER THE BALANCE SHEET DATE

Please refer to *Chapter 5.5 of this Annual Report* for events after the balance sheet date.

There have been no other significant events since the closing of the financial year that have affected the annual financial statements.

10.9.33 SCOPE OF CONSOLIDATION

The following subsidiaries are part of Xior Student Housing NV's scope of consolidation on 31 December 2020:

Name	Country	Share in the capital
Stubis BVBA	Belgium	100
Stratos KVK N.V.	Belgium	100
Xior Campus Hasselt NV.	Belgium	100
XL Fund BV	Belgium	90
6 en 30 NV	Belgium	90
Val Benoit NV	Belgium	90
Savelkoul NV	Belgium	90
Patrimmonia Couronne - Franck NV	Belgium	100
Voskenslaan BV	Belgium	100
Docks Gent BV	Belgium	100
Xior Rotsoord B.V.	The Netherlands	100
Xior Student Housing NL B.V.	The Netherlands	100
Xior Student Housing NL 2 B.V.	The Netherlands	100
Xior Naritaweg B.V.	The Netherlands	100
Stubis NL B.V.	The Netherlands	100
STUBISNL IV B.V.	The Netherlands	100
Leeuwarden Tesselschadestraat B.V.	The Netherlands	100
All-In Annadal B.V.	The Netherlands	100
Xior-Karspeldreef Amsterdam BV	The Netherlands	100
Xior Groningen B.V.	The Netherlands	100
Amstelveen Laan van Kronenburg 2 B.V.	The Netherlands	100
Borgondo Facilities B.V.	The Netherlands	100
I Love Vols B.V.	The Netherlands	90
XL NL Cooperatie 1 U.A.	The Netherlands	90
XL NL Cooperatie 2 U.A.	The Netherlands	90
Xior Zernike Coöperatie U.A.	The Netherlands	100
VBRE Groningen B.V.	The Netherlands	100
VBRE Groningen Opco B.V.	The Netherlands	100
XSHPT Portugal S.A.	Portugal	100

Uhub Investments Benfica S.A.	Portugal	100
Uhub Investments São João S.A.	Portugal	100
Uhub Operations S.A.	Portugal	85
Minerva Student Housing S.L.	Spain	100
Xior Quality Student Housing S.L.	Spain	100
I Love Barcelona Campus Besos S.L.	Spain	100
Mosquera Directorship S.L.	Spain	80
Xior Student Housing S.L.	Spain	100
Terra Directorship S.L.	Spain	100
Joint Ventures		
Promgranjo S.L.	Portugal	50
Invest Drève St Pierre NV	Belgium	50

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

31/12/2019

Companies fully included in the consolidation

Name	Country	Share in the capital
Woonfront - Rotsoord B.V	The Netherlands	100
Xior Student Housing NL B.V.	The Netherlands	100
Xior Student Housing NL 2 B.V.	The Netherlands	100
Xior - Naritaweg B.V.	The Netherlands	100
Stubis BVBA	Belgium	100
Stubis NL B.V.	The Netherlands	100
Leeuwarden Tesselschadestraat B.V.	The Netherlands	100
Stratos KVK N.V.	Belgium	100
All-In Annadal B.V.	The Netherlands	100
Xior-Karspeldreef Amsterdam B.V.	The Netherlands	100
Xior Groningen B.V.	The Netherlands	100
Minerva Student Housing S.L.	Spain	100
Xior Quality Student Housing S.L.	Spain	100
I Love Barcelona Campus Bésos S.L.	Spain	100
Mosquera Directorship S.L.	Spain	80
Xior Student Housing S.L.U.	Spain	100
Amstelveen Laan van Kronenburg 2 B.V.	The Netherlands	100
XSHPT Portugal	Portugal	100
Joint Ventures		
Promgranjo S.L.	Portugal	50
Uhub Benfica S.L.	Portugal	40
Uhub São João S.L.	Portugal	25

10.9.34 DEBT RATIO

Figures in thousands of EUR	31/12/2020	31/12/2019
Consolidated debt ratio (max. 65%)		
Total liabilities	960,813	650,720
Adjustments	-82,849	-67,752
Permitted hedging instruments	-26,530	-15,467
Deferred taxes – liabilities	-51,042	-47,019
Accruals and deferred payments	-5,277	-5,266
Total debts according to the Royal Decree of 13 July 2014	**877,964**	**582,968**
Total assets	1,620,316	1,276,528
Adjustments	0	0
Total assets according to the Royal Decree of 13 July 2014	1,620,316	1,276,528
Debt ratio (in %)	**54.18%**	**45.67%**

Debt ratio	31/12/2020	31/12/2019
	54.18%	45.67%

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.

The financial plan and the Statutory Auditor's special report are submitted to the FSMA for information.

Evolution of the debt ratio

As at 31 December 2020, the consolidated debt ratio of Xior Student Housing NV was 54.18% as compared to 53.12% as at 30 June 2020. This is still above the 50% threshold. The Company strives towards a sound debt structure with a long-term debt ratio that does not exceed 55% (see also the Company's Financing Strategy in documents such as the IPO Prospectus, the 2019 Annual Report and the Securities Note of October 2019).

Xior Student Housing NV was recognised as a public regulated real estate company on 24 November 2015 and launched its IPO on 11 December 2015. On 31 December 2015, the consolidated debt ratio was 45.01%. On 31 December 2016, the consolidated debt ratio was 50.69%, on 31 December 2018 49.32% and on 31 December 2019 45.67%. As a result of a public capital increase in October 2019, the debt ratio had temporarily fallen to 45.47%. As a result of the implementation of Xior Student Housing NV's well-known, committed growth strategy and with the planned implementation of the acquisition pipeline that will increase the portfolio to approximately MEUR 1,800 million in the short term, the debt ratio has exceeded 50% since 30 June 2020.

Based on the debt ratio of 54.18% as at 31 December 2020, Xior Student Housing NV still has additional investment potential of approximately MEUR 500 million without exceeding the maximum debt ratio of 65%. With a current committed pipeline worth approximately MEUR 104 million, this is therefore significantly below the legal limit of 65%. There is still room for about MEUR 235 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 31 December 2020, the maximum debt ratio of 65% would be exceeded only if the value of the property portfolio were to fall by approximately MEUR 270 million, which is about 17% of the MEUR 1,556 million property portfolio on 31 December 2020.

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

Expected evolution of the debt ratio
Based on the current financial plan and taking into account the acquisitions that will be completed during 2021, Xior Student Housing NV is expecting a debt ratio of around 56% compared with 54.18% on 31 December 2020, barring any unforeseen circumstances.

This estimate takes into account the following elements:

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

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

Conclusion
The Board of Directors of Xior Student Housing NV believes that the debt ratio will not exceed 65%. Based on the current economic and real estate trends, planned investments and expected evolution of the public RREC's equity, the Board of Directors of Xior Student Housing has decided to launch a public capital increase on 24 February 2021.

The goal is to reduce the debt ratio to a level below 50% and to continue to strive for 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.

10.9.35 OFF-BALANCE SHEET RIGHTS AND OBLIGATIONS

A number of properties were acquired from third parties in the course of 2016, 2017, 2018, 2019 and 2020. The sellers provided (partial) rental guarantees for a number of these properties. The term of these rental guarantees varies from 12 to 36 months starting from the transfer date. More specifically, the Company has received a rental or return guarantee for the properties on Tongerseweg in Maastricht (ended in September 2017), Kronehoefstraat in Eindhoven (ended in September 2018), Tramsingel 27 in Breda (ended in October 2017), Willem Dreeslaan in Utrecht, Spoorstraat in Venlo, Kwietheuvel in Venlo, Antonia Veerstraat in Delft (ended in September 2018), Waldorpstraat in The Hague (ended in September 2018), Campus Verbeekstraat in Leiden (ended in December 2018), Ariënsplein in Enschede (ended in September 2019), Naritaweg in Amsterdam (ended in April 2019), Rotsoord in Utrecht (ended in August 2019), Avenue d'Auderghem/Oudergemlaan in Etterbeek (ended in October 2018), Tesselschadestraat in Leeuwarden (ended in December 2018), Annadal in Maastricht (ended in December 2020), Duivendaal in Wageningen (ended in 2019), Alma Student (ended in October 2020), Roxi in Zaventem, Campus Besos in Barcelona, 365 Rooms in Brussels, 6 and 30 in Antwerp, Val Benoit in Liège, Katzensprung in Vaals, Uhub São João in Porto and Uhub Benfica in Lisbon.

10.9.36 LEGAL AND ARBITRATION PROCEEDINGS

On 28 October 2015, a company that was acquired by the Company as part of the IPO following a merger was sued by non-voluntary third-party intervention before the Commercial Court of Leuven in the context of a dispute regarding a real estate project implementation contract. The dispute does not relate to the property belonging to the Company's portfolio.

The plaintiff who sued by non-voluntary third-party intervention and indemnification has now waived the claim. During the procedure, the original defendant also filed an indemnification claim against the Company. By judgement of 6 April 2017, the Commercial Court of Leuven ruled that the agreement included in the relevant contract was terminated by mutual agreement between the plaintiff and the original defendant and ordered the latter to pay a termination fee in favour of the plaintiff. The claim of the original defendant against the Company was rejected as unfounded by the court.

In a petition on 12 July 2017, the original defendant – now the appellant – lodged an appeal against the judgement of the Commercial Court of Leuven on 6 April 2017. The claims as set out in the first instance were taken on by the respective parties. All conclusions have now been exchanged between the parties and the case is fully ready to go to court. However, no date has yet been set for the case to appear before the Court of Appeal. In the meantime, the case has been assigned to the waiting list of the 20th Chamber of the Court of Appeal in Brussels. The presumed court date will be around December 2022.

Although the decision of the court of appeal cannot be predicted, the Company believes that the defence against the appellant's claim for damages has a realistic chance of success on appeal, based on the judgement of the Commercial Court of Leuven on 6 April 2017. All available legal remedies will be pursued if necessary.

The possible negative impact of this case will always be limited to the claimed amount (KEUR 371 plus interest). As it is understood that the Company is contractually protected against this anyway, a possible negative outcome (in an unexpected worst case scenario) can de facto be considered immaterial.

In addition, on 4 November 2019, the Company was summoned before the Commercial Court of Antwerp, Antwerp Division, with respect to a dispute concerning the acquisition or not by the Company of 100% of the shares in a target company owning a specific property in Antwerp. By judgement of 1 February 2021, the claim of the counterparty was dismissed as unfounded. The counterparty has indicated that it will accept this judgement.

The main objective of the target company's shareholders is the execution in kind of the purchase agreement. On a subsidiary basis, the target company's shareholders provisionally claim damages of EUR 210,000 for an alleged breach of contract. In addition, the Company also claims the costs of the proceedings, estimated at the costs of summons (EUR 315.7), a litigation fee of EUR 18,000 and the rolling right of EUR 165.

If the Company is forced to execute the purchase agreement in kind, this would, according to the target company's shareholders, mean that the Company would have to pay a purchase price of EUR 3,500,000 (partly by taking over a current account of one of the target company's shareholders), in exchange for the shares (and thus indirectly the ownership of the real estate in Antwerp). Without being able to predict the final outcome of this lawsuit, the Company is of the opinion that, with its arguments, it has sufficient chances of success to have the counterparty's claim rejected. The fact that the Company strongly contests the counterparty's claims is further reinforced by the Company filing a counterclaim against the counterpart for breach of the relevant contractual provisions. The compensation resulting from the counterclaim was provisionally estimated at EUR 49,623.76.

In addition to these two legal proceedings, the Company is also involved in another (almost completed) legal procedure, in which it is also a defendant. On 12 October 2020, the Company was summoned by the leaseholder of one of its main retail properties to appear before the Commercial Court of Antwerp, Antwerp division. This leaseholder, who, as a result of the Covid-19 crisis, has liquidity problems (with a significant arrears of the ground rent in respect of the Company as a result) and for which legal reorganisation proceedings have been opened before the Commercial Court of Antwerp, Antwerp section, sued the Company to obtain, in principle, the nullity of the leasehold agreement on account of alleged fraud on the part of the Company and, in secondary order, to obtain an adjustment to the periodic payment of the ground rent in accordance with the current market value of the property. Given that the Company has very good arguments to refute these claims (and to institute a possible counter-claim), negotiations were held between the Company and the defendant - immediately after receipt of the summonses - with a view to obtaining a definitive termination of the dispute. On 8 December 2020, a settlement in principle was reached between the Company and the plaintiff whereby, in addition to the amicable termination of the ground lease agreement (and the commercial lease) for the retail property in the second quarter of 2021, a larger than initially estimated part of the outstanding ground leasehold can be recovered by the Company. As a final part of the settlement agreement principle, the plaintiff party undertook to definitively and irrevocably waive the legal claim filed. The Company is confident that the settlement agreement in principle will be confirmed in a final settlement agreement at the latest at the beginning of the second month of 2021. However, the effective payment of the amount provided for in the settlement agreement will continue to depend (and follow the pace) on the implementation of the leaseholder's reorganisation plan, which was approved by a judgment on 18 December 2020.

On 23 December 2020, the Company was informed of a claim in which 45 (mainly Spanish) students of the Xior Picasso - Xior Vélazquez residence in Villaviciosa de Odón (Madrid) have lodged a collective claim against Mosquera Directorship S.L. (an 80% subsidiary of Xior). They claim a total of EUR 148,072.55 for an alleged lack of service during the first lockdown as well as a situation of force majeure due to the COVID-19 crisis. In particular, they claimed the rent back from 10 March until 30 June 2020, plus interest and legal costs. Xior has set up a provision for this first collective claim in the amount of the full amount claimed.

On 28 January 2021, the Company was informed of a claim in which a group of 36 students from the same residence as the one mentioned above filed a second collective claim against Mosquera Directorship S.L. On the same grounds as the one mentioned above, they claim EUR 123,217.82. In particular, they are claiming rent back from 10 March until 30 June 2020, as well as the securities that have not been returned, plus interest and legal costs. No provision has been made for this second collective claim by Xior yet. This provision will be created in Q1 2021.

The legal proceedings in which the Company acted as plaintiff, mentioned in Chapter 10.9.36 (p. 310) of the Annual Financial Report 2019, were concluded in 2020 with a settlement, by payment of an indemnity to the Company.

The Board of Directors declares that there are no further government interventions, lawsuits or arbitration cases that could have – or have recently had – a significant effect on Xior's financial position or profitability. It also declares that as far as it is aware, there are no circumstances or facts that could trigger such government interventions, lawsuits or arbitration cases.

10.9.37 IMPACT COVID-19 ON THE 2020 RESULTS

- Impact on the 31 December 2020 results: Covid-19 has had a limited impact on the 2020 results. In the different countries where Xior is active, the organisation has given commercial compensation to the students, depending on the case, in the form of a discount on the rent or via a discount on the (service) costs. In addition, extra write-offs on trade receivables were also provided. We refer to the consolidated income statement - rental discounts and impairment losses on trade receivables as part of the net rental result for the impact on the 2020 result.
- Financing: as at 31 December 2020, the debt ratio is 54.18%. In addition, Xior has sufficient committed credit lines to meet capex obligations for the coming year.
- Valuations: the impact on the valuation of the real estate has remained limited, only in Spain and Portugal the Valuation experts have included the changed market conditions in the determination of the Fair Value of the real estate. For this reference is made to *section 10.9.5 of this Annual Report.*
- Update Q4 2020: Reference is made to *Section 5.5.1 of this Annual Report*.

10.9.38 STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY XIOR STUDENT HOUSING NV ON THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2020

In the context of the statutory audit of the Consolidated Financial Statements of Xior Student Housing NV (the "Company") and its subsidiaries (together "the Group"), we present to you our statutory auditor's report. This contains our report on the Consolidated Financial Statements as well as the other disclosures required by legislation and regulations. It forms one whole and is indivisible.

We were appointed as Statutory Auditor by the Annual General Meeting of 17 May 2018, in accordance with the proposal of the Board of Directors made on the recommendation of the Audit Committee. Our mandate expires on the date of the Annual General Meeting that will consider the financial statements for the year ended 31 December 2020. We have conducted the statutory audit of the Consolidated Financial Statements of the Company for six consecutive financial years.

Report on the Consolidated Financial Statements

Unqualified Opinion

We have audited the Group's Consolidated Financial Statements which comprise the consolidated balance sheet as of 31 December 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as notes including the important accounting principles for financial statements. These Consolidated Financial Statements show a consolidated balance sheet total of EUR '000' 1,620,316 and the consolidated income statement ends with a net result of EUR '000' -41,773.

In our opinion, the Consolidated Financial Statements give a true and fair view of the assets and the Group's consolidated financial position on 31 December 2020 and its consolidated financial result and consolidated cash flows for the financial year ending on that date, in accordance with the International Financial Reporting Standards ("IFRS") as approved by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium. In addition, we have adopted the IAASB approved international standards on auditing that are applicable at the current cut-off date and have not yet been approved at national level. Our responsibilities under these standards are further described in the section "Responsibilities of the Statutory Auditor for the Audit of the Consolidated Financial Statements" of our report. We have complied with all ethical requirements relevant to the audit of the consolidated financial statement in Belgium, including those relating to independence.

We have obtained the clarification and information required for our audit from the Company's Board of Directors and employees.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key points of the audit

The principal audit concerns those matters that in our professional opinion were the most significant in the audit of the Consolidated Financial Statements for the current reporting period. These matters are considered in the context of our audit of the financial statements as a whole and in forming our opinion on them, and we do not express an opinion on them separately.

VALUATION OF THE INVESTMENT PROPERTY

Key point of the audit:

As of 31 December 2020, the company has recognised investment properties on the assets side of its balance sheet for a total amount of EUR '000' 1,555,779. IFRS standards require investment properties to be carried at fair value. The determination of that fair value depends heavily on a number of selected parameters. The most important are the rental value of the property, the occupancy rate, the discount rate and the estimated costs for maintenance and repairs.

In accordance with the legislation applicable to regulated real estate companies, the investment properties are valued by an external valuation expert.

In their report of 31 December 2020, the external surveyors in Spain and Portugal drew attention to a significant uncertainty about the effects of the coronavirus on the future valuation of real estate. This uncertainty relates mainly to the future macroeconomic consequences of the current Covid-19 pandemic, with regard to potential treasury and continuity problems of tenants and, in the longer term, the relationship between supply and demand for student housing real estate and the resulting risk of vacancy.

The valuation of investment properties is a key issue in our audit of the Consolidated Financial Statements, both because of their significance in the financial statements and because of the subjective nature of the valuation process.

For more information regarding the valuation of the investment properties, please refer to notes 10.6.7 and 10.9.8 of these Consolidated Financial Statements.

How was this key point dealt with in the context of our audit?

We assessed the reliability of the external valuation and the reasonableness of the parameters used on the basis of the work described below:

- We assessed the objectivity, independence and competence of the external valuation experts.
- For a selection of buildings, we tested the reasonableness of parameters used by comparing the parameters of the external valuation experts with those used by our internal valuation experts. If these parameters differed significantly from those used by the external valuation expert, the impact of this difference on the fair value was determined, on the one hand, on the individual investment property and, on the other hand, on the entire property portfolio.
- In addition, we have analysed the reasonableness of the underlying parameters for the changes in the fair value compared to 31 December 2019.
- We tested whether the uncertainty referred to by the appraisers was adequately explained in the annual report and in the notes to the consolidated financial statements.
- Finally, we have assessed the compliance of the information included in the notes to the Consolidated Financial Statements with IFRS standards.

Board of Directors' responsibilities for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the legal and statutory and regulatory requirements applicable in Belgium, and for such internal control as the Board of Directors determines is necessary to enable the preparation of Consolidated Financial Statements which are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for assessing the ability of the Group to continue as a going concern, explaining, where appropriate, circumstances relating to continuity and the assumptions relating thereto, unless the Board of Directors intends to dissolve the Group or cease trading, or unless it has no realistic alternative but to do so.

Statutory Auditor's responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance that the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report which includes our opinion. A reasonable level of assurance is a high level of assurance but does not guarantee that an audit carried out in accordance with the ISA would always detect a material misstatement where one exists. Variations may occur due to fraud or error and are considered to be significant if they could reasonably be expected to affect, individually or in combination, the economic decisions made by users on the basis of these Consolidated Financial Statements.

In carrying out our audit, we comply with the legal, regulatory and normative framework applicable to the audit of Consolidated Financial Statements in Belgium. However, a statutory audit does not provide any certainty about the Company's future viability or about the efficiency or effectiveness with which the Board of Directors has or will take control of the Company's business operations.

As part of an audit conducted in accordance with the ISAs, we apply professional judgement and maintain a professionally critical attitude throughout the audit. We also carry out the following work:

- Identifying and estimating the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, determining and performing the audit procedures that are appropriate in the circumstances, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material anomaly is greater if that anomaly is the result of fraud than if it is the result of errors, because fraud may involve conspiracy, forgery, deliberate failure to record transactions, deliberate misrepresentation or violation in the internal audit.
- Obtaining an understanding of the internal audit relevant to the audit, with the objective of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal audit.
- Evaluating the appropriateness of accounting principles used for financial reporting and evaluating the reasonableness of accounting estimates made by the Board of Directors and related disclosures.
- Concluding whether the going concern assumption used by the Board of Directors is acceptable and concluding, based on the audit evidence obtained, whether there is any material uncertainty with respect to events or circumstances that could cause significant doubt about the Group's ability to continue as a going concern. If we conclude that there is significant uncertainty, we are required to draw attention to the related notes for the Consolidated Financial Statements in our auditor's report, or, if such notes are inadequate, to amend our opinion. Our conclusions are based on audit evidence up to the date of our audit report. However, future events or circumstances may result in the Group no longer being able to continue as a going concern.
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and whether the Consolidated Financial Statements present the underlying transactions and events in a manner that gives a true and fair view.
- Obtaining sufficient and appropriate audit evidence about the financial information of the entities or businesses within the Group in order to express an opinion on the Consolidated Financial Statements. We are responsible for the management, supervision and execution of the group audit. We remain solely responsible for our opinion.

We communicate with the Board of Directors , among others, regarding the planned scope and timing of the audit and on the significant audit findings, including any significant failings in the internal audit that we identify in the course of our audit.

We also provide the Board of Directors and the Audit Committee with a declaration that we have complied with the relevant ethical rules on independence, and we communicate with them on all relationships and other matters that may reasonably affect our independence and, where applicable, on the related measures to ensure our independence.

Based on the matters communicated to the Board of Directors , we identify the matters that were most significant in the audit of the Consolidated Financial Statements for the current reporting period and that therefore constitute the key audit topics in our audit. We describe these matters in our report, unless disclosure is prohibited by law or regulation.

Other legislative and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and content of the report on the Consolidated Financial Statements and the other information included in the report on the Consolidated Financial Statements.

Responsibilities of the statutory auditor

In the framework of our mandate and in accordance with the Belgian additional standard to the international standards (ISAs) applicable in Belgium, it is our responsibility to verify, in all material respects, the report of the Consolidated Financial Statements and other information included in the report on the consolidated report and to report on these matters.

Aspects relating to the annual report on the Consolidated Financial Statements and other information included in the annual report on the Consolidated Financial Statements

Having performed specific work for the annual report, we are of the opinion that this annual report is consistent with the Consolidated Financial Statements for the same financial year and has been prepared in accordance with Article 3:32 of the Companies and Associations Code.

In implementation of Article 37 Section 2 of the Law of 12 May 2014 "on regulated real estate companies" and in accordance with Article 8 of the Royal Decree of 13 July 2014 "with respect to regulated real estate companies", the Company's transactions with the parties described in Article 37 Section 1 of the aforementioned Law have been disclosed in the "Conflicts of interest" section of the annual financial report.

In the context of our audit of the Consolidated Financial Statements, we are also responsible for considering, in particular on the basis of the knowledge obtained during the audit, whether the annual report on the Consolidated Financial Statements and the other information included in the annual report on the Consolidated Financial Statements should be qualified, specifically the following chapters of the annual report:

- Risk management;
- Message to the shareholders;
- Key figures on 31 December 2020;
- Strategy and operating activities;
- Management report;
- Corporate governance;
- The Xior share;
- Property report;
- Corporate social responsibility;
- Statements;
- Permanent document;

contain any material misstatement or information that is incorrectly stated or otherwise misleading. In the light of the work we have carried out, we have no material deviations to report.

The "other information" as listed above does not include the sections on "Corporate Social Responsibility" and "Message to the shareholders" as these will only be made available after the date of our report. If, on reading these sections after they have been made available, we should find material discrepancies, we should communicate this to the Board of Directors.

Statements concerning independence

- Our statutory auditor's office and our network did not carry out any assignments incompatible with the statutory audit of the Consolidated Financial Statements and our statutory auditor's office remained independent of the Group during the course of our mandate.
- The fees for the additional tasks that are compatible with the statutory audit of the consolidated annual accounts referred to in Article 3:65 of the Companies and Associations Code have been correctly stated and broken down in the notes to the Consolidated Financial Statements.

Other statements

- This report is consistent with our additional statement to the Audit Committee as referred to in Article 11 of Regulation (EU) No 537/2014.

Sint-Stevens-Woluwe, 23 February 2021

The statutory auditor
PwC Bedrijfsrevisoren B.V.
Represented by

Damien Walgrave
Statutory Auditor

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY XIOR STUDENT HOUSING NV ON THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2019

In the context of the statutory audit of the Consolidated Financial Statements of Xior Student Housing NV (the "Company") and its subsidiaries (together "the Group"), we present to you our statutory auditor's report. This contains our report on the Consolidated Financial Statements as well as the other disclosures required by legislation and regulations. It forms one whole and is indivisible.

We were appointed as Statutory Auditor by the Annual General Meeting of 17 May 2018, in accordance with the proposal of the Board of Directors made on the recommendation of the Audit Committee. Our mandate expires on the date of the Annual General Meeting that will consider the financial statements for the year ended 31 December 2020. We have conducted the statutory audit of the Consolidated Financial Statements of the Company for five consecutive financial years.

Report on the Consolidated Financial Statements

Unqualified Opinion

We have audited the Group's Consolidated Financial Statements which comprise the consolidated balance sheet as of 31 December 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as notes including the important accounting principles for financial statements. These Consolidated Financial Statements show a consolidated balance sheet total of EUR '000' 1,276,529 and the consolidated income statement ends with a net result of EUR '000' 7,659.

In our opinion, the Consolidated Financial Statements give a true and fair view of the assets and the Group's consolidated financial position on 31 December 2019 and its consolidated financial result and consolidated cash flows for the financial year ending on that date, in accordance with the International Financial Reporting Standards ("IFRS") as approved by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium. In addition, we have adopted the IAASB approved international standards on auditing that are applicable at the current cut-off date and have not yet been approved at national level. Our responsibilities under these standards are further described in the section "Responsibilities of the Statutory Auditor for the Audit of the Consolidated Financial Statements" of our report. We have complied with all ethical requirements relevant to the audit of the consolidated financial statement in Belgium, including those relating to independence.

We have obtained the clarification and information required for our audit from the Company's Board of Directors and employees.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis on a particular matter – Event after the date of closure of the financial year

With regard to the Covid-19 pandemic, we would like to draw your attention to point 5.5 of the annual report and note 10.9.32 of the consolidated financial statements ("Events occurring after the balance sheet date"). In this report, the board of directors explains its opinion that the consequences of this pandemic could have a material impact on the Company's business operations in 2020, but that they do not have a material impact on the Company's financial position as of 31 December 2019. We do not express any reservations in our opinion on this matter.

Key points of the audit

The principal audit concerns those matters that in our professional opinion were the most significant in the audit of the Consolidated Financial Statements for the current reporting period. These matters are considered in the context of our audit of the financial statements as a whole and in forming our opinion on them, and we do not express an opinion on them separately.

VALUATION OF THE INVESTMENT PROPERTY

Key point of the audit:

As of 31 December 2019, the company has recognised investment properties on the assets side of its balance sheet for a total amount of EUR '000' 1,190,791. IFRS standards require investment properties to be carried at fair value. The determination of that fair value depends heavily on a number of selected parameters. The most important are the rental value of the property, the occupancy rate, the discount rate and the estimated costs for maintenance and repairs.

In accordance with the legislation applicable to regulated real estate companies, the investment properties are valued by an external valuation expert.

The valuation of investment properties is a key issue in our audit of the Consolidated Financial Statements, both because of their significance in the financial statements and because of the subjective nature of the valuation process.

For more information regarding the valuation of the investment properties, please refer to notes 10.6.4 and 10.6.7 of these Consolidated Financial Statements.

How was this key point dealt with in the context of our audit?

We assessed the reliability of the external valuation and the reasonableness of the parameters used on the basis of the work described below:

- We assessed the objectivity, independence and competence of the external valuation experts.
- For a selection of buildings, we tested the reasonableness of parameters used by comparing the parameters of the external valuation experts with those used by our internal valuation experts. If these parameters differed significantly from those used by the external valuation expert, the impact of this difference on the fair value was determined, on the one hand, on the individual investment property and, on the other hand, on the entire property portfolio.
- In addition, we have analysed the reasonableness of the underlying parameters for the changes in the fair value compared to 31 December 2018.
- Finally, we have assessed the compliance of the information included in the notes to the Consolidated Financial Statements with IFRS standards.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the legal and statutory and regulatory requirements applicable in Belgium, and for such internal control as the Board of Directors determines is necessary to enable the preparation of Consolidated Financial Statements which are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for assessing the ability of the Group to continue as a going concern, explaining, where appropriate, circumstances relating to continuity and the assumptions relating thereto, unless the Board of Directors intends to dissolve the Group or cease trading, or unless it has no realistic alternative but to do so.

Statutory Auditor's responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance that the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report which includes our opinion. A reasonable level of assurance is a high level of assurance but does not guarantee that an audit carried out in accordance with the ISA would always detect a material misstatement where one exists. Variations may occur due to fraud or error and are considered to be significant if they could reasonably be expected to affect, individually or in combination, the economic decisions made by users on the basis of these Consolidated Financial Statements.

In carrying out our audit, we comply with the legal, regulatory and normative framework applicable to the audit of Consolidated Financial Statements in Belgium. However, a statutory audit does not provide any certainty about the Company's future viability or about the efficiency or effectiveness with which the Board of Directors has or will take control of the Company's business operations.

As part of an audit conducted in accordance with the ISAs, we apply professional judgement and maintain a professionally critical attitude throughout the audit. We also carry out the following work:

- Identifying and estimating the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, determining and performing the audit procedures that are appropriate in the circumstances, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material anomaly is greater if that anomaly is the result of fraud than if it is the result of errors, because fraud may involve conspiracy, forgery, deliberate failure to record transactions, deliberate misrepresentation or violation in the internal audit.
- Obtaining an understanding of the internal audit relevant to the audit, with the objective of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal audit.
- Evaluating the appropriateness of accounting principles used for financial reporting and evaluating the reasonableness of accounting estimates made by the Board of Directors and related disclosures.
- Concluding whether the going concern assumption used by the Board of Directors is acceptable and concluding, based on the audit evidence obtained, whether there is any material uncertainty with respect to events or circumstances that could cause significant doubt about the Group's ability to continue as a going concern. If we conclude that there is significant uncertainty, we are required to draw attention to the related notes for the Consolidated Financial Statements in our auditor's report, or, if such notes are inadequate, to amend our opinion. Our conclusions are based on audit evidence up to the date of our audit report. However, future events or circumstances may result in the Group no longer being able to continue as a going concern.
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and whether the Consolidated Financial Statements present the underlying transactions and events in a manner that gives a true and fair view.
- Obtaining sufficient and appropriate audit evidence about the financial information of the entities or businesses within the Group in order to express an opinion on the Consolidated Financial Statements. We are responsible for the management, supervision and execution of the group audit. We remain solely responsible for our opinion.

We communicate with the Board of Directors , among others, regarding the planned scope and timing of the audit and on the significant audit findings, including any significant failings in the internal audit that we identify in the course of our audit.

We also provide the Board of Directors and the Audit Committee with a declaration that we have complied with the relevant ethical rules on independence, and we communicate with them on all relationships and other matters that may reasonably affect our independence and, where applicable, on the related measures to ensure our independence.

Based on the matters communicated to the Board of Directors , we identify the matters that were most significant in the audit of the Consolidated Financial Statements for the current reporting period and that therefore constitute the key audit topics in our audit. We describe these matters in our report, unless disclosure is prohibited by law or regulation.

Other legislative and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and content of the report on the Consolidated Financial Statements and the other information included in the report on the Consolidated Financial Statements.

Responsibilities of the statutory auditor

In the framework of our mandate and in accordance with the Belgian additional standard to the international standards (ISAs) applicable in Belgium, it is our responsibility to verify, in all material respects, the report of the Consolidated Financial Statements and other information included in the report on the consolidated report and to report on these matters.

Aspects relating to the annual report on the Consolidated Financial Statements and other information included in the annual report on the Consolidated Financial Statements

NHaving performed specific work for the annual report, we are of the opinion that this annual report is consistent with the Consolidated Financial Statements for the same financial year and has been prepared in accordance with Article 3:32 of the Companies and Associations Code.

In the context of our audit of the Consolidated Financial Statements, we are also responsible for considering, in particular on the basis of the knowledge obtained during the audit, whether the annual report on the Consolidated Financial Statements and the other information included in the annual report on the Consolidated Financial Statements should be qualified, specifically the following chapters of the annual report:

- Risk management;
- Message to the shareholders;
- Key figures on 31 December 2019;
- Strategy and operating activities;
- Management report;
- Corporate governance;
- The Xior share;
- Property report;
- Corporate social responsibility;
- Statements;
- Permanent document;

contain any material misstatement or information that is incorrectly stated or otherwise misleading. In the light of the work we have carried out, we have no material deviations to report.

Statements concerning independence

- Our statutory auditor's office and our network did not carry out any assignments incompatible with the statutory audit of the Consolidated Financial Statements and our statutory auditor's office remained independent of the Group during the course of our mandate.
- The fees for the additional tasks that are compatible with the statutory audit of the consolidated annual accounts referred to in Article 3:65 of the Companies and Associations Code have been correctly stated and broken down in the notes to the Consolidated Financial Statements.

Other statements

- This report is consistent with our additional statement to the Audit Committee as referred to in Article 11 of Regulation (EU) No 537/2014.

Sint-Stevens-Woluwe, 20 April 2020

The statutory auditor
PwC Bedrijfsrevisoren B.V.
Represented by

Damien Walgrave
Statutory Auditor

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF XIOR STUDENT HOUSING NV ON THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2018

In the context of the statutory audit of the Consolidated Financial Statements of Xior Student Housing NV (the "Company") and its subsidiaries (together "the Group"), we present to you our statutory auditor's report. This contains our report on the Consolidated Financial Statements as well as the other disclosures required by law and regulations. It forms one whole and is indivisible.

We were appointed as Statutory Auditor by the Annual General Meeting of 17 May 2018 on the proposal of the Board of Directors on the recommendation of the Audit Committee. Our mandate expires on the date of the Annual General Meeting that will consider the financial statements for the year ended 31 December 2020. We have conducted the statutory audit of the Consolidated Financial Statements of Xior Student Housing NV for four consecutive financial years.

Report on the Consolidated Financial Statements

Unqualified Opinion

We have audited the Consolidated Financial Statements of Xior Student Housing NV. These Consolidated Financial Statements comprise the consolidated balance sheet as of 31 December 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as notes including the important accounting policies for financial statements. The total of the consolidated balance sheet amounts to EUR '000' 861,752 and the total consolidated income statement shows earnings for the year of EUR '000' 16,105.

In our opinion, the Consolidated Financial Statements give a true and fair view of the assets and the Group's consolidated financial position on 31 December 2018 and its consolidated financial result and consolidated cash flows for the financial year ending on that date, in accordance with the International Financial Reporting Standards ("IFRS") as approved by the European Union and implemented by the Royal Decree of 13 July 2014, with regard to regulated real estate companies and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA") as applicable in Belgium. In addition, we have adopted the international standards on auditing as adopted by the IAASB for the financial years from 31 December 2018, which have not yet been adopted at the national level. Our responsibilities under these standards are further described in the section "Responsibilities of the Statutory Auditor for the Audit of the Consolidated Financial Statements" of our report. We have complied with all ethical requirements relevant to the audit of Consolidated Financial Statements in Belgium, including those relating to independence.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key points of the audit

The key points of our audit concern those matters that in our professional opinion were the most significant in the audit of the Consolidated Financial Statements for the current reporting period. These matters have been considered in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion on them, and we do not express an opinion on them separately.

VALUATION OF THE INVESTMENT PROPERTY

Key point of the audit:

As of 31 December 2018, the company has recognised investment properties on the assets side of its balance sheet for a total amount of EUR '000' 814,908. IFRS standards require investment properties to be carried at fair value. The determination of that fair value depends heavily on a number of selected parameters. The most important are the rental value of the property, the occupancy rate, the discount rate and the estimated costs for maintenance and repairs.

In accordance with the legislation applicable to regulated real estate companies, the investment properties are valued by an external valuation expert.

The valuation of investment properties is a key issue in our audit of the Consolidated Financial Statements, both because of their significance in the financial statements and because of the subjective nature of the valuation process.

For more information regarding the valuation of the investment properties, please refer to notes 10.6.4 and 10.6.7 of these Consolidated Financial Statements.

How was this key point dealt with in the context of our audit?

We assessed the reliability of the external valuation and the reasonableness of the parameters used on the basis of the work described below:

- We assessed the objectivity, independence and competence of the external valuation experts.
- For a selection of buildings, we tested the reasonableness of parameters used by comparing the parameters of the external valuation experts with those used by our internal valuation experts. If these parameters differed significantly from those used by the external valuation expert, the impact of this difference on the fair value was determined, on the one hand, based on the individual investment property and, on the other hand, based on the entire property portfolio.
- In addition, we have analysed the reasonableness of the underlying parameters for the most significant changes in the fair value compared to 31 December 2017.
- Finally, we have assessed the compliance of the information included in the notes to the Consolidated Financial Statements with IFRS standards.

VALUATION OF FINANCIAL DERIVATIVES

Key point of the audit

In order to hedge the interest rate risk on the credits, Xior Student Housing NV has concluded financial derivatives with a total nominal value of EUR '000' 503,000. IFRS standards require financial derivatives to be recognised at their fair value.

Since the fair value of the financial derivatives is determined based on a complex financial model and financial parameters (see notes 10.9.20 and 10.9.22 of the Consolidated Financial Statements), we consider the valuation of the financial derivatives as a key audit item.

How was this key point dealt with in the context of our audit?

We have obtained confirmation letters from the banks with the aim of validating the existence and completeness of the contracts as well as their valuation on 31 December 2018. Subsequently, independently and with the assistance of our experts, we determined the fair value of these contracts and compared them with the value included in the Consolidated Financial Statements.

We have also assessed the compliance of the information included in the notes to the Consolidated Financial Statements with IFRS standards.

Board of Directors' responsibilities for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of Consolidated Financial Statements in accordance with IFRS as adopted by the European Union and as implemented by the Royal Decree of 13 July 2014 "relating to regulated real estate companies" and with legal and regulatory requirements applicable in Belgium, and for such internal control as it determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, explaining, where appropriate, going concern issues and applying the going concern assumption, unless the Board of Directors intends to dissolve the Group or to cease trading, or unless it has no realistic alternative but to do so.

Statutory Auditor's responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance that the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an audit report which includes our opinion. A reasonable level of assurance is a high level of assurance but does not guarantee that an audit carried out in accordance with the ISA would always detect a material misstatement where one exists. Variations may occur due to fraud or error and are considered to be significant if they could reasonably be expected to affect, individually or in combination, the economic decisions made by users on the basis of these Consolidated Financial Statements.

In carrying out our audit, we comply with the legal, regulatory and normative framework applicable to the audit of Consolidated Financial Statements in Belgium.

As part of an audit conducted in accordance with the ISA, we apply professional judgement and maintain a professionally critical attitude throughout the audit.

We also carry out the following work:

- Identifying and estimating the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, determining and performing the audit procedures that are appropriate in the circumstances, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material anomaly is greater if that anomaly is the result of fraud than if it is the result of errors, because fraud may involve conspiracy, forgery, deliberate failure to record transactions, deliberate misrepresentation or violation in the internal audit.
- Obtaining an understanding of the internal audit relevant to the audit, with the objective of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal audit.
- Evaluating the appropriateness of accounting policies used and evaluating the reasonableness of accounting estimates made by the Board of Directors and related disclosures.
- Concluding whether the going concern assumption used by the Board of Directors is acceptable and concluding, based on the audit evidence obtained, whether there is any material uncertainty with respect to events or circumstances that could cause significant doubt about the Group's ability to continue as a going concern. If we conclude that there is significant uncertainty, we are required to draw attention to the related notes for the Consolidated Financial Statements in our auditor's report, or, if such notes are inadequate, to amend our opinion. Our conclusions are based on audit evidence up to the date of our audit report. However, future events or circumstances may result in the Group no longer being able to continue as a going concern.
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and whether the Consolidated Financial Statements present the underlying transactions and events in a manner that gives a true and fair view.
- Obtaining sufficient and appropriate audit evidence about the financial information of the entities or businesses within the Group in order to express an opinion on the Consolidated Financial Statements. We are responsible for the management, supervision and execution of the group audit. We remain solely responsible for our opinion.

We communicate with the Board of Directors and the Audit Committee, among others, regarding the planned scope and timing of the audit and on the significant audit findings, including any significant failings in the internal audit that we identify in the course of our audit.

We also provide the Board of Directors and the Audit Committee with a declaration that we have complied with the relevant ethical rules on independence, and we communicate with them on all relationships and other matters that may reasonably affect our independence and, where applicable, on the related measures to ensure our independence.

Based on the matters communicated to the Board of Directors and the Audit Committee, we identify the matters that were most significant in the audit of the Consolidated Financial Statements for the current reporting period and that therefore constitute the key audit topics. We describe these matters in our report, unless disclosure is prohibited by law or regulation.

Other legislative and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and content of the annual report on the Consolidated Financial Statements, the report on non-financial information annexed to the annual report and the other information included in the annual report on the Consolidated Financial Statements.

Responsibilities of the statutory auditor

In the framework of our mandate and in accordance with Belgian International Standards on Auditing (as revised in 2018), which are applicable in Belgium, our responsibility is to audit the annual report on the Consolidated Financial Statements, the report on non-financial information annexed to the annual report and other information included in the annual report, in all material respects, and to report on these matters.

Aspects relating to the annual report on the Consolidated Financial Statements and other information included in the annual report on the Consolidated Financial Statements

Having performed specific work for the annual report on the Consolidated Financial Statements, we are of the opinion that this annual report is consistent with the Consolidated Financial Statements for the same financial year and has been prepared in accordance with Article 3:32 of the Companies and Associations Code.

In implementation of Article 37 Section 2 of the Law of 12 May 2014" on regulated real estate companies" and in accordance with Article 8 of the Royal Decree of 13 July 2014 "with respect to regulated real estate companies", the Company's transactions with the parties described in Article 37 Section 1 of the aforementioned Law have been disclosed in the "Conflicts of interest" section of the annual financial report.

In the context of our audit of the Consolidated Financial Statements, we are also responsible for considering, in particular on the basis of our audit knowledge, whether the annual report on the Consolidated Financial Statements and the other information included in the annual report on the Consolidated Financial Statements should be qualified, specifically:

- Risk management
- Message to the shareholders
- Key figures on 31 December 2018
- Strategy and operating activities
- Corporate governance
- The Xior share
- Property report
- Corporate social responsibility
- Statements
- Permanent document

contains a material misstatement, either information that is incorrectly stated or otherwise misleading. In the light of the work we have carried out, we have no material deviations to report.

Statements concerning independence

- Our statutory auditor's office and our network did not carry out any assignments incompatible with the statutory audit of the Consolidated Financial Statements and our statutory auditor's office remained independent of the Group during the course of our mandate.
- The fees for the additional tasks that are compatible with the statutory audit of the consolidated annual accounts referred to in Article 3:65 of the Companies and Associations Code have been correctly stated and broken down in the notes to the Consolidated Financial Statements.

Other statements

- This report is consistent with our additional statement to the Audit Committee as referred to in Article 11 of Regulation (EU) No 537/2014.

Sint-Stevens-Woluwe, 28 March 2019

The statutory auditor
PwC Bedrijfsrevisoren B.V.
Represented by

Damien Walgrave
Statutory Auditor

Voskenslaan
GHENT

10.10 CONDENSED VERSION OF XIOR STUDENT HOUSING NV'S STATUTORY ANNUAL FINANCIAL STATEMENTS

Xior Student Housing NV's statutory annual financial statements are based on the IFRS standards and in accordance with the Royal Decree on Regulated Real Estate Companies of 13 July 2014. The full version of Xior Student Housing NV's statutory annual financial statements will be deposited together with the Annual Report and the Statutory Auditor's report with the National Bank of Belgium within the statutory term and is available free of charge on the Company website (www.xior.be) and from the registered office on request.

The Statutory Auditor has issued an unqualified opinion without reservations for the statutory annual financial statement of Xior Student Housing NV.

10.10.1 STANDALONE INCOME STATEMENT

		Figures in thousands of EUR	31/12/2020	31/12/2019
I	(+)	Rental income	33,696	30,914
	(+)	Rental income	33,049	29,282
	(+)	Rental guarantees	920	1,807
	(+/-)	Rent reductions	-273	-175
III	(+/-)	Rent-related expenses	-204	-79
		Impairments of trade receivables	-204	-79
		NET RENTAL INCOME	**33,492**	**30,834**
V	(+)	Recovery of rental charges and taxes normally payable by the tenants for let properties	6,989	5,662
		Transmission of rental charges borne by the proprietor	6,910	5,544
		Calculation of withholding tax and taxes on let properties	79	118
VII	(-)	Rental charges and taxes normally payable by the tenants for let properties	-7,790	-6,134
		Rental charges borne by the proprietor	-7,689	-6,014
		Withholding tax and taxes on let properties	-101	-120
VIII	(+/-)	Other rent-related income and expenditure	771	1,449
		PROPERTY RESULT	**33,463**	**31,811**
IX	(-)	Technical costs	-1,487	-1,233
		- Recurring technical costs	-1,498	-1,321
	(-)	Repairs	-1,262	-1,100
	(-)	Insurance premiums	-236	-222
		- Non-recurring technical costs	10	89
	(-)	Damages	10	89
X	(-)	Commercial costs	-320	-342
	(-)	Advertising	-280	-292
	(-)	Lawyers' fees and legal costs	-40	-50
XI	(-)	Costs and taxes for non-let properties	-609	-292
XII	(-)	Property management costs	-2,355	-1,998
	(-)	External management costs	0	-404
	(-)	Internal management costs	-2,355	-1,593
XIII	(-)	Other property charges	-1,263	-1,328
	(-)	Architects' fees	0	-1,078
	(-)	Valuation expert fees	-321	-4
	(-)	Other	-942	-245
		PROPERTY CHARGES	**-6,034**	**-5,192**

		PROPERTY OPERATING RESULT	**27,428**	**26,619**
XIV	(-)	General company expenses	-4,368	-3,332
XV	(+/-)	Other operating result and costs	3,044	0
		OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**26,104**	**23,287**
XVI	(+/-)	Result from the sale of investment properties		
	(+)	*Net property sales (sales price – transaction fees)*		
	(-)	*Book value of the sold property*		
XVIII	(+/-)	Variations in the Fair Value of investment property	-35,057	15,431
	(+)	*Positive variations in the fair value of the investment property*	377	22,422
	(-)	*Negative variations in the fair value of the investment property*	-35,434	-6,991
XIX	(+/-)	Other portfolio result	-3,126	-3,703
		OPERATING RESULT	**-12,078**	**35,015**
XX	(+)	Financial income	16,516	6,507
	(+)	*Interest and dividends collected*	16,516	6,507
XXI	(-)	Net interest costs	-9,651	-7,611
	(-)	*Nominal interest paid on loans*	-6,662	-4,854
	(-)	*Breakdown of the nominal amount of financial debt*	-332	-218
	(-)	*Costs of permitted hedging instruments*	-2,657	-2,540
		Permitted hedging instruments that are not subject to hedging accounting as defined by the IFRS	-2,657	-2,540
XXII	(-)	Other financial costs	-931	-380
	(-)	*Bank costs and other commissions*	-869	-354
	(-)	*Other*	-61	-26
XXIII	(+/-)	Variations in the fair value of financial assets and liabilities	-21,768	-2,587
		Permitted hedging instruments that are not subject to hedging accounting as defined by the IFRS	-9,042	-9,150
		Other	-12,726	6,563
		FINANCIAL RESULT	**-15,833**	**-4,071**
XXIV		Share in the result of associated companies and joint ventures	-284	204
		RESULT BEFORE TAXES	**-28,196**	**31,148**
XXIV	(+/-)	Corporate tax	-973	-2,005
XXV	(+/-)	Exit tax	23	0
XXV	(+/-)	Deferred taxes	-1,768	-1,322
		TAXES	**-2,718**	**-3,327**
		NET RESULT	**-30,914**	**27,821**

10.10.2 COMPREHENSIVE INCOME STATEMENT

	Figures in thousands of EUR	31/12/2020	31/12/2019
Net result		**-30,914**	**27,821**
Other components of the comprehensive result			
(+/-)	Impact on the Fair Value of the estimated transaction costs and costs resulting from hypothetical disposal of investment properties	0	0
(+/-)	Variations in the effective part of the Fair Value of permitted cash flow hedging instruments	0	0
Comprehensive result		**-30,914**	**27,821**

10.10.3 STANDALONE BALANCE SHEET

Assets		Figures in thousands of EUR	31/12/2020	31/12/2019
I		**FIXED ASSETS**	**920,806**	**848,455**
	B	Intangible fixed assets	13	19
	C	Investment property	680,479	693,370
		Property available to let	677,488	674,371
		Property developments	2,990	18,999
	D	Other tangible fixed assets	703	791
		Tangible fixed assets for own use	703	791
		Other		
	E	Financial fixed assets	239,348	154,136
		Assets at fair value via result	239,327	154,115
		Other	21	21
	G	Trade receivables and other fixed assets	135	135
	H	Deferred taxes – assets	2	2
	I	Participating interests in associated companies and joint ventures with equity movements	126	3
II		**Current assets**	**565,748**	**338,652**
	D	Trade receivables	2,035	132
	E	Tax receivables and other current assets	559,732	334,761
		Taxes	460	-192
		Salaries and social security		
		Other	559,272	334,953
	F	Cash and cash equivalents	991	2,121
	G	Accruals and deferred payments	2,989	1,638
		Prepaid property charges		
		Accrued rental income not due	583	935
		Other	2,407	703
Total assets			**1,486,553**	**1,187,107**

Liabilities	Figures in thousands of EUR	31/12/2020	31/12/2019
Equity		**694,258**	**649,727**
A	Capital	375,441	342,125
	Issued capital	378,836	344,396
	Capital increase costs	-3,395	-2,271
B	Issue premiums	338,065	276,441
C	Reserves	11,666	3,340
	Statutory reserves		
	Reserve for the balance of variations in the fair value of property	43,861	29,530
	Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	-25,293	-22,072
	Reserve for the balance of the changes in the fair value of permitted hedging transactions that are not subject to hedging accounting as defined in the IFRS	-15,467	-8,184
	Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method	-1,962	
	Unavailable reserve: reserve for foreseeable losses		
	Other reserves		
	Earnings carried over from previous financial years	10,528	4,066
D	Net result for the financial year	-30,914	27,821
Liabilities		**792,295**	**537,380**
I	**Non-current liabilities**	**707,650**	**514,999**
B	Non-current financial debts	672,437	490,950
	a Credit institutions	563,160	490,950
	b Other	109,277	
C	Other non-current financial liabilities	24,509	15,467
	Permitted hedging instruments	24,509	15,467
D	Other non-current liabilities	354	
F	Deferred taxes – liabilities	10,350	8,583
	a Exit tax		
	b Other	10,350	8,583
II	**Current liabilities**	**84,645**	**22,380**
B	Current financial liabilities	63,919	860
	a. Credit institutions	63,919	860
D	Trade debts and other current liabilities	3,748	6,392
	Exit tax	-	206
	Other	3,748	6,185
	Suppliers	3,271	3,759
	Tenants	227	417
	Taxes, salaries and social security contributions	250	2,010
	Other		
E	Other current liabilities	13,577	10,263
	Other	13,577	10,263
F	Accruals and deferred payments	3,401	4,865
	Deferred income	350	1,070
	Other	3,051	3,796
Total equity and liabilities		**1,486,553**	**1,187,107**

10.10.4 STATEMENT OF CHANGES IN EQUITY

Figures in thousands of EUR	Capital	Issue premiums	Reserves	Net result of the financial year	Equity
Balance sheet as at 31 December 2018	**245,672**	**147,240**	**1,122**	**16,106**	**410,138**
Net appropriation of income 2018					
Transfer of result on the portfolio to reserves			7,190	-7,190	0
Transfer of operating result to reserves			2,289	-2,289	0
Result for the period				27,821	27,821
Other elements recognised in the comprehensive result					
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property					
Variations in the fair value of financial assets and liabilities			-7,259	7,259	0
Issue of new shares	211,761				211,761
Capital increase through non-cash contribution	17,997				17,997
Costs of issuing new shares and of capital increase	-104	-4,000			-4,104
Partial allocation of capital to issue premiums	-133,201	133,201			0
Dividends				-13,887	-13,887
Balance sheet as at 31 December 2019	**342,125**	**276,441**	**3,340**	**27,821**	**649,727**
Net appropriation of income 2019			27,821	-27,821	0
Transfer of result on the portfolio to reserves					
Transfer of operating result to reserves					
Result for the period				-30,914	-30,914
Other elements recognised in the comprehensive result					
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property					
Variations in the fair value of financial assets and liabilities					
Issue of new shares	54,681				54,681
Capital increase through non-cash contribution	41,383				41,383
Costs of issuing new shares and of capital increase	-1,124				-1,124
Partial allocation of capital to issue premiums	-61,624	61,624			0
Dividends				-19,495	-19,495
Balance sheet as at 31 December 2020	**375,441**	**338,065**	**11,666**	**-30,914**	**694,258**

10.10.5 DETAIL OF THE RESERVES

Figures in thousands of EUR	Reserve for the balance of variations in the fair value of property	Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	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	Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method	Other reserves	Retained earnings from previous financial years	Total of the reserves
Balance sheet as at 31 December 2018	**19,333**	**-19,064**	**-924**	**0**	**0**	**1,777**	**1,121**
Net appropriation of income						16,105	16,105
Transfer of result on the portfolio to reserves	10,197	-3,007				-7,190	0
Transfer of operating result to reserves							
Other elements recognised in the comprehensive result							
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property							
Variations in the fair value of financial assets and liabilities			-7,259			7,259	0
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						-13,887	-13,887
Other							
Balance sheet as at 31 December 2019	**29,530**	**-22,071**	**-8,183**	**0**	**0**	**4,066**	**3,340**
Net appropriation of income						27,821	27,821
Transfer of result on the portfolio to reserves	14,331	-3,221				-11,110	0
Transfer of operating result to reserves							
Other elements recognised in the comprehensive result							
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property							
Variations in the fair value of financial assets and liabilities			-7,284			7,284	0
Issue of new shares							
Capital increase through non-cash contribution							
Costs of issuing new shares and of capital increase							
Dividends						-19,495	-19,495
Transfer to new reserve account				-1,962		1,962	0
Balance sheet as at 31 December 2020	**43,861**	**-25,292**	**-15,467**	**-1,962**	**0**	**10,528**	**11,666**

10.10.6 APPROPRIATION OF INCOME UNDER THE ARTICLES OF ASSOCIATION

			31/12/2020	31/12/2019
A.		**Net result**	**-30,914**	**27,821**
B.	(-/=)	**Addition to/withdrawal from reserves**		
1.	(-/+)	Addition to/withdrawal from the reserve for the (positive or negative) balance of variations in the property's fair value		
		- financial year	-45,879	14,331
2.	(-/+)	Addition to/withdrawal from the reserve of the estimated transaction fees and costs resulting from the hypothetical disposal of investment properties		
		- financial year	-9,146	-3,221
5.	(+)	Addition to the reserve for the balance of the variations in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in the IFRS		
		- financial year	-9,042	-7,283
10.	(-/+)	Addition to/withdrawal from other reserves	0	6,461
11.	(-/+)	Addition to/withdrawal from retained earnings from previous financial years	8,083	0
12.	(-/+)	Addition to reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method	-1,532	-1,962
C.		**Return on capital pursuant to Article 13, section 1, first paragraph**	**25,822**	**14,906**
D.		**Return on capital - other than C**	**780**	**4,589**

10.10.7 PAYMENT OBLIGATION IN ACCORDANCE WITH ARTICLE 13 §1 FIRST SECTION OF THE ROYAL DECREE OF 13 JULY 2014 CONCERNING RREC

	Figures in thousands of EUR	31/12/2020	31/12/2019
	Net result	**-30,914**	**27,821**
(+)	Depreciation	191	169
(+)	Impairments	237	113
(-)	Reversal of impairments	-33	-34
(-/+)	Other non-monetary items	24,135	2,601
(+/-)	EPRA result of the 100% subsidiaries by applying equity method with look-trough approach	3,604	0
(-/+)	Result from the sale of property	0	0
(-/+)	Variations in the fair value of property	35,057	-12,037
	Adjusted result (A)	**32,277**	**18,633**
(-/+)	Gains and losses realised on property during the financial year (+/-)		
(-)	Gains realised on property during the financial year exempt from the distribution obligation subject to their reinvestment within a period of four years (-)		
(+)	Gains realised on property previously exempt from the distribution obligation and not reinvested within a period of four years (+)		
	Net gains on the realisation of property not exempt from the distribution obligation (B)	**0**	**0**
	Total (A) + (B) x 80%	**25,822**	**14,906**
	Debt reduction (-)	**0**	**0**
	Payment obligation	**25,822**	**14,906**

As a result of the application of the look-through approach, the EPRA results of the 100% subsidiaries were taken into account when determining the payment obligation. For the determination of the amount to be paid out in accordance with Article 13 (1) (1) of the Royal Decree of 13 July 2014 regarding the RREC, the Company has the practice of correcting the share of the profit or loss of subsidiaries under the heading "Other non-monetary components", as a result of which the results of not 100% subsidiaries are not taken into account for the calculation of the minimum dividend to be paid.

10.10.8 NON-DISTRIBUTABLE EQUITY IN ACCORDANCE WITH ARTICLE 7:212 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE

The amount as referred to in Article 7:212 of the Belgian Companies and Associations Code of the paid-up capital or – if the amount is higher – called-up capital, plus the reserves that must not be distributed by law or under the Articles of Association, is determined in Chapter IV of Annex C of the Royal Decree on Regulated Real Estate Companies.

This calculation is based on Xior Student Housing NV's statutory annual financial statement, but by applying the look-through approach.

	31/12/2020	31/12/2019
Non-distributable equity in accordance with Article 7:212 of the Belgian Companies and Associations Code	**618,486,570**	**619,466,984**
Paid-up capital	378,835,938	344,396,322
Issue premiums are unavailable according to the articles of association	298,447,920	271,819,532
Reserve for the positive balance of the variations in the investment value of property	0	43,861,047
Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	-34,438,159	-25,292,564
Reserve for the balance of the variations in the fair value of permitted hedging instruments that are not subject to hedging accounting	-24,508,978	-15,467,201
Reserve for the balance of the variations in the fair value of permitted hedging instruments that are subject to hedging accounting	0	0
Reserves for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method	0	0
Other reserves	149,848	149,848
Statutory equity	694,257,855	649,726,651
Planned dividend payments	26,602,077	19,494,976
Weighted average number of shares	19,560,351	14,996,135
Operational distributable earnings per share (EUR)	1,36	1,3
Statutory equity after dividend payments	663,685,604	630,231,676
Remaining reserve after distribution	**49,169,209**	**10,764,692**

The result of the subsidiaries wholly owned by Xior Student Housing has been realised by the Company for the period from the Company's acquisition to the closing date and has been accounted for in the Company's equity as follows:

- The operational distributable income (KEUR 3,604) of the subsidiaries was attributed to the various items for the Company's result. This positive correction includes the sum of the positive and negative EPRA results achieved by the individual 100% subsidiaries, whereby the positive EPRA result of Patrimmonia Couronne-Franck SA amounting to KEUR 275 was not taken into account as this company is unable to pay its positive results as a result of statutory restrictions.
- The change in the Fair Value of investment property of subsidiaries was attributed to other result on the portfolio.

As such the subsidiaries' operating result for 2020 can be used for distribution as dividend from the acquisition date (look-through approach).

For subsidiaries in which the Company does not hold 100% of the shares, the Company will include its share of the results of these subsidiaries (both the realised and unrealised results) in a separate unavailable reserve account "*Reserve for the share of profit or loss and unrealised income of subsidiaries, associates and joint ventures accounted for using the equity method*". For the financial year ending 31 December 2020, the Company's share of the results of these not 100% subsidiaries is KEUR 1,532, which will be allocated to the aforementioned unavailable reserve. Since the Company has decided to process the impact of this changed insight as if the viewing method for these subsidiaries had never been applied, the total balance of this unavailable reserve was KEUR -3,495 on 31 December 2020.