




**HALF-
YEARLY**
FINANCIAL
REPORT

This half-yearly financial report is also available in Dutch.

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

Alternative Performance Measures and the term 'EPRA earnings'

Alternative performance measures (APMs) are measures used by Xior Student Housing NV to measure and monitor its operational performance. The European Securities and Markets Authority (ESMA) has issued guidelines applicable as from 3 July 2016 for the use and explanation of alternative performance measures. The concepts considered by Xior as APMs are contained in Chapter 5.8 of this Half-Yearly Report. The APMs are marked with  and are accompanied by a definition, an objective and reconciliation as required under the ESMA guidelines.

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

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01

Consolidated
key figures on 30 June
2018

The first half of 2018 starts on 1 January 2018 and ends on 30 June 2018.

- The results of the first half year are as follows:
 - EPRA earnings  of EUR 0.64 per share¹ - EUR 0.70 per share after IFRIC 21 adjustment
 - EPRA earnings  of KEUR 5,853 – KEUR 6,363 after IFRIC 21 adjustment
 - Net rental result of KEUR 12,974 for H1 2018
 - Net result (IFRS) for H1 2018 of KEUR 531
 - Debt ratio of 39.26% compared to 53.62% on 31 December 2017
 - Occupancy rate of 98.45% compared to 97.9% as at 31 December 2017
 - The property portfolio has risen to EUR 612 million, which is equivalent to an increase of 25.2% compared to 31 December 2017. If all acquisitions and redevelopments in the committed pipeline are completed, the portfolio will increase to approximately EUR 775 million with more than 6,600 lettable student units.

Figures are in thousand EUR.

Consolidated P&L statement	30/06/2018	30/06/2017
Net rental result	12,974	7,387
Property result	12,287	6,896
Operating result before result on the portfolio	8,567	4,186
Financial result (excl. changes in the fair value of financial assets and liabilities)	-1,816	-1,323
EPRA earnings 	5,853	2,537
EPRA earnings after IFRIC 21 adjustment 	6,363	2,882
Result on the portfolio (IAS 40) 	185	2,070
Revaluation of financial instruments (ineffective interest rate hedges)	-2,854	1,216
Net result (IFRS)	531	5,770



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


Number of lettable student units	30/06/2018	30/06/2017
Student units	4,105	2,626

Cijfers zijn in duizenden EUR.

Consolidated balance sheet	30/06/2018	31/12/2017
Equity	364,837	223,291
Fair Value of the real estate property ²	612,012	488,762
Debt ratio (Law on Regulated Real Estate Companies) ³	39.26%	53.62%

Figures are in thousand EUR.

Key figures per share	30/06/2018	30/06/2017
Number of shares	12,968,815	8,128,249
Weighted average number of shares ⁴	9,099,666	5,553,555
EPRA earnings per share (based on the weighted average number of shares) 	0.64	0.46
Result on the portfolio (IAS 40) (based on the weighted average number of shares) 	0.02	0.37
Revaluation of financial assets and liabilities (based on the weighted average number of shares)	-0.31	0.22
Net result per share (IFRS) (based on the weighted average number of shares)	0.06	1.04
Closing price of the share	37.9	36.5
Net asset value per share (IFRS) (based on the number of outstanding shares)	28.13	26.83

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

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

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

⁴ Shares are counted from the time of issue.



Janseniusstraat
LEUVEN



02

Interim management report

2.1

NOTE WITH THE CONSOLIDATED RESULTS FOR THE FIRST HALF OF 2018

The net rental income is KEUR 12,974 in the first half of 2018, compared to KEUR 7,387 in the first half of 2017. This is a 76% increase. The net rental result will continue to increase in 2018, as certain acquisitions are planned for the second half of 2018. There are also a number of properties under construction or being refurbished that will only contribute to the rental income from October 2018.


This mainly relates to the following properties:

- Oosterhamrikkade, Groningen: construction work has been completed in Q2 2018; full rental income is expected from September 2018.
- Rotsoord, Utrecht: income is expected from August 2018.
- Karspeldreef, Amsterdam: income is expected from September 2018.
- Tiensestraat 274, Leuven: conversion is on-going; rental income is expected from September 2018.
- Oudergemaal, Brussels (JV): property completion is planned in September 2018, with rental income expected from that date as well.
- Ariënsplein, Enschede: conversion is on-going; rental income will increase gradually in the course of Q3 and Q4 2018.

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

The average occupancy rate of the property portfolio was 98.45% for the first half of 2018, compared to 98% for the first half of 2017.

The real estate result is KEUR 12,287 on 30 June 2018 (KEUR 6,896 on 30 June 2017) and the property operating result is KEUR 9,943 (KEUR 5,156 on 30 June 2017). The property charges (KEUR 2,343) mainly include costs related to maintenance and repair, insurance, property management, valuation expert expenses and other property charges. The latter charges are property taxes and taxes on Dutch real estate that cannot be passed on to the tenants.

As a result of the application of the accountancy rule 'IFRIC 21 Levies' (implemented as from the financial year of 2015), the figures dated 30 June 2018 include a provision for the entire year of 2018 with regard to property tax on real estate, taxes on Dutch real estate, taxes on second homes and the so-called 'subscription tax' ('abonnementstaks'). This has a substantial negative impact on the result of the first half of 2018, as these costs are not spread across all quarters but were entirely booked against the first quarter. The effect of this accounting treatment will reduce as the financial year unfolds. If these costs were to be spread and one quarter of the costs would be entered for each quarter, the result of the first half of 2018 would increase by KEUR 510. In this hypothesis, the EPRA earnings  would be KEUR 6,363.

The overhead costs are KEUR 1,401 compared to KEUR 1,022 on 30 June 2017. The increase is mainly due to an increase in the 'subscription tax' as a result of the capital increase of 2017 and an increase in personnel costs due to the recruitment of additional staff.

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

The portfolio result for the first half of the year is KEUR 185 (KEUR 2,070 on 30 June 2017). New properties were acquired in the first half of 2018 through property acquisitions (sale-purchase and/or contribution) and share acquisitions.

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




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

The variation in Fair Value between 1 January 2018 and 30 June 2018 was entered under negative or positive variations in investment property. There was a positive net investment property change (KEUR 405).

The financial result is KEUR -4,627 (KEUR -107 on 30 June 2017). This result mainly contained interests on loans (KEUR 1,011), IRS costs (KEUR 769), bank charges and other commissions (KEUR 55). The increased property portfolio resulted in an increase in the net interest charges. These charges also include the negative market value of the hedging instruments (KEUR -2,811). The market value of these hedging instruments is entered directly in the income statement. The average financing cost is 1.76% for the first half of 2018 (1.86% on 30 June 2017).

The result before taxes is KEUR 4,082. Corporate taxes are KEUR 899. These are mainly taxes on the result of the permanent establishment in the Netherlands. There was also KEUR 2,653 in provisions for deferred taxes entered.

The net result is KEUR 531 (KEUR 5,770 on 30 June 2017) and reflects the EPRA earnings as well as the positive impact of the variation in Fair Value of the property portfolio of KEUR 185, the negative impact of the fair value of financial assets and liabilities of KEUR 2,854 and the negative impact of the deferred taxes with regard to IAS adjustments of KEUR 2,653 on 30 June 2018.

The EPRA earnings  are KEUR 5,853 (KEUR 2,537 on 30 June 2017). The calculation of the EPRA earnings per share is based on the weighted average number of shares (based on the respective dividend entitlement) on 30 June 2018, which was 9,099,666. The EPRA earnings per share  (based on the weighted average number of shares) were EUR 0.64 on 30 June 2018 (EUR 0.46 on 30 June 2017). The EPRA earnings per share  after IFRIC 21 adjustment are EUR 0.70 on 30 June 2018 (EUR 0.52 on 30 June 2017).

2.1.1 CONSOLIDATED BALANCE SHEET

On 30 June 2018, the portfolio consisted of 4,105 lettable student units. This resulted in a valuation of the property portfolio of EUR 612,012 on 30 June 2018, which meant a 25% increase or KEUR 123,250 since 31 December 2017 (KEUR 488,762). This increase is mainly due to the acquisition of Bonnefantencollege in Maastricht, Tongerseweg, the acquisition of a student building in Leuven, Tiensestraat, the acquisition of the Woodskot project in Brussels, the acquisition of buildings on Naritaweg, Amsterdam and the (indirect) contribution of a building to be converted in Enschede.

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

If all acquisitions and projects currently in the committed pipeline are implemented and taking into account the acquisition of (the real estate company that owns) the property in Utrecht on 26 July 2018, this figure will rise further to a portfolio of approximately EUR 775 million, with approximately 6,600 student units.

On 30 June 2018 the portfolio consisted of 78 properties with 5,799 student units, of which 1,694 units or 29% were still under construction or to be converted into student units. The properties to be converted into student units will start contributing to the rental income from 2019/2021. Some of these properties are currently generating rental income as offices.

Current assets are KEUR 21,430 and have risen by KEUR 7,868 since 31 December 2017.

They primarily include:

- Trade receivables to be collected (KEUR 761): this primarily includes rent to be received.
- Other receivables: this primarily includes a shareholder loan to Promiris Student NV (KEUR 10,914), a receivable from Aloxe NV (KEUR 1,793 payable at market interest rate), which arose from the merger with Devimmo and CPG and from the rental/return guarantees provided in 2016.
- Tax receivables (KEUR 859): this mainly concerns prepayments for Dutch corporate taxes.
- Balance in the bank accounts (KEUR 5,545): the balance in the bank accounts is temporarily higher as a result of the successful capital increase of June 2018, of which some funds were used to repay outstanding loans under existing revolving credit lines as optimally as possible (at least temporarily).

The accruals and deferred payments of KEUR 608 include costs to be transferred in relation to real estate (KEUR 245), rental income received (KEUR 171), overheads (KEUR 90) and interest received on the shareholder loan to Promiris Student NV (KEUR 101).

The group equity was KEUR 364,837 on 30 June 2018 (KEUR 223,291 on 31 December 2017).

The net asset value per share increased by 2.04% to EUR 28.13 on 30 June 2018 compared to EUR 27.47 on 31 December 2017.

The long-term obligations fell by KEUR 17,060 since 31 December 2017. As a result of the capital increase in June 2018, certain loans could be repaid temporarily and the debt ratio fell from 53.62% on 31 December 2017 to 39.26% on 30 June 2018, which again leaves sufficient margin for further growth financed with loan capital.

The current liabilities are KEUR 17,376. They fell by KEUR 3,663 since 31 December 2017. The short-term bank loan of KEUR 11,994 was refinanced to a long-term bank loan and trade debts increased. The trade debts concern invoices for current construction work that were not yet payable on 30 June 2018. The Company follows up outstanding debts very closely in order to keep the Company's debt ratio under control.

The current liabilities also include outstanding debts to suppliers (KEUR 8,518), advance deposits received from tenants (KEUR 1,061), VAT, tax and social security debt (KEUR 1,647), security deposits received from tenants (KEUR 2,870) and

accruals and deferred payments (KEUR 2,623). The accruals and deferred payments mainly include rental income to be transferred (KEUR 765), accrued real estate costs (KEUR 1,226), accrued interests (KEUR 287) and accrued general expenses (KEUR 345).

2.1.2 COMPOSITION OF DEBTS

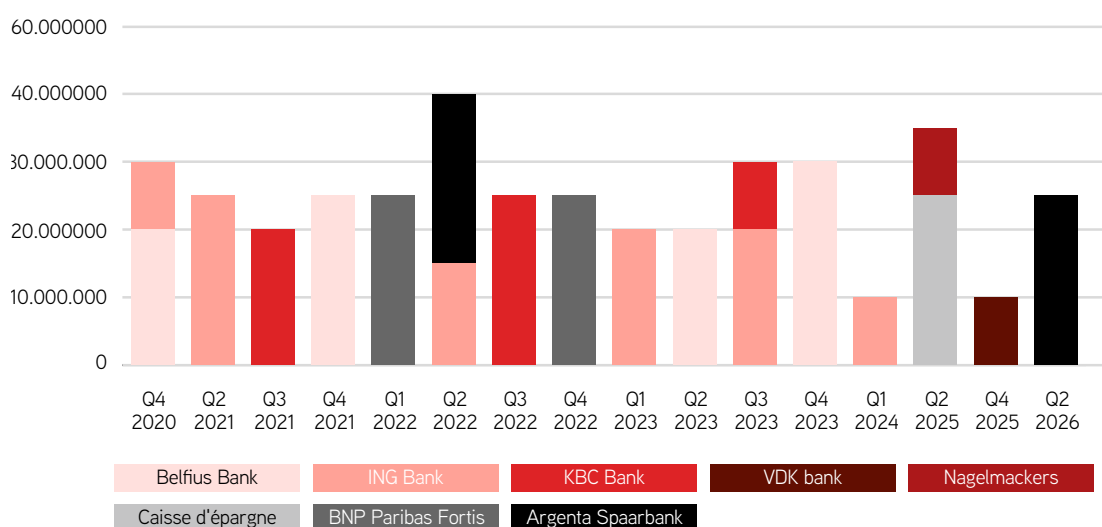
Xior Student Housing NV had drawn down KEUR 234,684 in long-term debt on 30 June 2018. This debt consisted of drawn down long-term credit lines with Belfius Bank, ING Belgium and Argenta Spaarbank. There are no loans that will mature within 12 months. Xior had EUR 395 million in credit lines on 30 June 2018. This amount is made up of credit lines with ING Belgium NV (EUR 100 million), Belfius Bank NV (EUR 95 million), KBC Bank NV (EUR 55 million), BNP Paribas Fortis (EUR 50 million), Argenta Spaarbank NV (EUR 50 million), Caisse d'Épargne (EUR 25 million), vdk bank (EUR 10 million) and Bank Nagelmackers (EUR 10 million). The part of the credit lines that has not been drawn down was KEUR 160,000. Part of the loans was temporarily paid back as a result of the capital increase in June 2018.

The most important covenants the Company must respect under these financing agreements are compliance with a debt ratio of less than 60% (calculated according to the Royal Decree on Regulated Real Estate Companies), an interest coverage ratio greater than 2.5 and hedging of at least 70% of the financing debts. The ICR was 4.72 for H1 2018.

On 30 June 2018, the drawn down credit lines were fully hedged with interest rate swaps.

The total hedging market value was negative (KEUR -3,736), which is KEUR 2,811 less than the market value on 31 December 2017. This value decrease has a negative effect on the net result on 30 June 2018.

On 30 June 2018, the average maturity of the committed loans was 4.7 years (3.48 years on 31 December 2017). The Company has always concluded financing contracts with a minimum maturity of three years. For a breakdown of debts according to maturity, please refer to *Chapter 5.9.8 of this Half-Yearly Report*.



2.2

DATA ACCORDING TO THE EPRA REFERENCE SYSTEM⁵

2.2.1 EPRA KEY PERFORMANCE INDICATORS

These details are not required by the legislation on Regulated Real Estate Companies. The Statutory Auditor verified whether the EPRA earnings, EPRA net asset value (NAV) and EPRA triple net asset value (NNNAV) ratios were calculated according to the definitions quoted in the EPRA Best Practice Recommendations and whether the financial data used in the calculation of these ratios correspond with the accounting information included in the consolidated financial statements.

	Definitie	in KEUR	EUR per aandeel
EPRA earnings	Underlying result derived from the strategic operating activities. This indicates the extent to which dividend payments are supported by the earnings.	5,853	0.64
EPRA NAV	Net asset value (NAV) adjusted to take into account the Fair Value of the real estate property and excluding certain elements that are not part of a financial model of long-term property investments.	368,573	28.41
EPRA NNNAV	EPRA net asset value (NAV) adjusted to take into account the Fair Value of (i) the assets and liabilities, (ii) the debts and (iii) the deferred tax.	364,837	28.13
			%
EPRA cost ratio (incl. vacancy costs)	EPRA costs (including vacancy costs) divided by the gross rental income.		28.9% ⁶
EPRA cost ratio (excl. vacancy costs)	EPRA costs (excluding vacancy costs) divided by the gross rental income.		28.0% ⁷

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

⁶ The EPRA cost ratio (including vacancy costs) after IFRIC 21 adjustment is 25.0%.

⁷ EPRA cost ratio (excluding vacancy costs) after IFRIC 21 adjustment is 24.1%.

EPRA earnings per share	30/06/2018	30/06/2017
Net result	531	5,770
Changes in the fair value of the real estate property	-405	-810
Other portfolio results	220	-1,260
Result from the sale of investment properties	0	0
Changes in the fair value of financial assets and liabilities	2,854	-1,216
Deferred taxes with regard to IAS 40 adjustments	2,653	52
Weighted average number of shares	9,099,666	5,553,555
EPRA earnings per share	0.64	0.46
IFRIC 21 impact	510	345
EPRA earnings per share after IFRIC 21 adjustment	0.70	0.52

EPRA NAV	30/06/2018	31/12/2017
Net asset value according to the financial statements	364,837	223,291
To be excluded:		
fair value of financial assets and liabilities	3,736	924
EPRA NAV	368,573	224,215
EPRA NAV (EUR/share)	28.41	27.58

EPRA triple net asset value (NNNAV)	30/06/2018	31/12/2017
EPRA NAV	368,573	224,215
To be added:		
fair value of financial assets and liabilities	-3,736	-924
EPRA NNNAV	364,837	223,291
EPRA NNNAV (EUR/share)	28.13	27.47

EPRA cost ratio	30/06/2018	30/06/2017
General expenses	1,401	1,022
Impairments of trade receivables	11	9
Property charges	2,343	1,740
EPRA costs (incl. vacancy costs)	3,755	2,771
Vacancy costs	120	19
EPRA costs (excl. vacancy costs)	3,635	2,751
Gross rental income	12,985	7,396
EPRA cost ratio (incl. vacancy costs)	28.9%	37.5%
EPRA cost ratio (excl. vacancy costs)	28.0%	37.2%
IFRIC 21 impact	510	345
EPRA cost ratio (incl. vacancy costs) after IFRIC 21 adjustment	25.0%	32.8%
EPRA cost ratio (excl. vacancy costs) after IFRIC 21 adjustment	24.1%	32.5%



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2.3

TRANSACTIONS AND ACHIEVEMENTS

2.3.1 TRANSACTIONS AND ACHIEVEMENTS DURING THE FIRST HALF OF 2018

2.3.1.1 General

After the growth achieved in 2017, Xior continued to work on the further growth of its portfolio in the first half year of 2018. During the implementation of its growth strategy, Xior strives towards a balanced growth of both equity and loan capital with a healthy combination of various financing sources, whilst keeping the debt ratio under control and increasing the earnings per share. Xior achieved a contribution in kind in March 2018 already and successfully completed a capital increase of approximately EUR 134 million on 12 June 2018 (see also *Chapter 2.3.1.2*). If all acquisitions and redevelopments in the committed pipeline are completed, the portfolio will increase to approximately EUR 775 million with more than 6,600 lettable student units.

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

2.3.1.2 Successful capital increase

On 31 May 2018, Xior launched a capital increase in cash with an irreducible allocation right for a maximum gross amount of EUR 134,011,078 by issuing a maximum of 4,322,938 new shares at an issue price of EUR 31.00 per share. The capital increase was successfully completed on 12 June 2018. After the successful IPO in December 2015 and the public capital increase in 2017, the completion of this transaction was another important milestone in the company's further development with further portfolio expansion and a continued growth strategy.

2.3.1.3 Acquisitions in the first half of the year⁸

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

Acquisition of Bonnefanten College redevelopment project in Maastricht – 257 units

The Company signed a Purchase Agreement for the acquisition of Bonnefanten College, for which the previous owner already obtained an environmental permit. This former monastery is a registered national monument and will be redeveloped into a student complex with 257 self-contained student rooms and common areas. The property is located at Tongerseweg 135, near Xior's other student accommodation monument in Maastricht, the Carré building. The announced total investment value (after conversion) will be approximately EUR 34 million (in line with the Fair Value as determined by the Company's independent valuation expert) with an announced expected initial yield of approximately 6.25%. Xior expects to start using the building in September 2019.



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

Acquisition of a student complex for development in Brussels (Woodskot project)

Xior also signed a Purchase Agreement for the acquisition of a redevelopment project in Brussels⁹ referred to as Woodskot. After the proposed redevelopment, this transaction will have 91 units. The announced total expected investment value (after conversion) is approximately EUR 10 million (in line with the Fair Value as determined by the Company's independent valuation expert) with an expected initial yield of approximately 6%.



Acquisition of a site in Amsterdam

On 25 April 2018, Xior successfully completed the acquisition of a site with three towers on Naritaweg/Barajasweg in the Dutch capital of Amsterdam. The buildings were completed in 2018 and have a total of 247 units ranging from 23 m² to 52 m² with 94 parking spaces. The site is located near public transport and is undergoing a comprehensive upgrade through various redevelopment projects, in the process of which care is also being taken to provide sufficient green spaces. Two thirds of the buildings, which provide a range of options for students and young starters, was already rented out at the time of the acquisition. The seller also provides Xior with a 12-month rental guarantee.

Xior acquired the properties (built on a plot with a long-term lease) by buying 100% of the shares in the relevant real estate companies. The price of the shares in the companies is based on the investment value of the property held by the relevant company, which is derived from the rental values. The total investment value of the underlying property amounts to approx. EUR 47 million¹⁰, with an expected initial yield of approximately 5.6%.



⁹ See Press Release dated 13 March 2018.

¹⁰ This is in line with the estimates of the independent property expert

Acquisition of a student complex in Enschede via contribution in kind

On 28 March 2018, Xior acquired a student property (under construction) in Enschede¹¹. The land and the structures that had already been renovated were acquired via a(n indirect) contribution in kind to Xior's capital. The value of the contribution was based on the value of the land and the already existing structures, and resulted in a capital increase of EUR 18,117,000 (including issue premium). The acquisition had a total investment value of approx, EUR 28 million¹² and an expected initial yield of approximately 6.3%. The issue price of the new shares amounted to EUR 35 per share (rounded). The commissioning of the building in Enschede is planned for 2018. The developer, who has provided Xior with a one-year rental guarantee for the non-rented sections (self-contained units) and a three-year guarantee for the second education facility, will complete the building in stages.



Additional financing contracts

In the first half of 2018, the Company secured additional financing from ING Bank (EUR 22 million), Belfius Bank (EUR 25 million), KBC Bank NV (EUR 10 million), Argenta Spaarbank NV (EUR 25 million), Caisse d'Epargne (EUR 25 million), vdk bank (EUR 10 million) and Bank Nagelmackers (EUR 10 million).

2.3.1.4 Annual Meeting

The Annual General Meeting of Xior Student Housing NV took place on 17 May 2018. The annual financial statements for 2017 were approved at the Annual General Meeting. The Annual General Meeting also approved the distribution of EUR 1.20 gross or EUR 0.84 net in a dividend¹³ per share.

2.3.1.5 Acquisitions in the committed pipeline

In 2018 and in 2017, Xior also concluded agreements under certain conditions for the acquisition of various strategic student complexes, which confirm Xior's intended growth strategy.

- **Exercise of purchase option for real estate sites in Amsterdam and Utrecht**

On 12 July 2018, Xior signed a purchase agreement resulting from the exercise of its purchase option with regard to two sites in Amsterdam and Utrecht.

These sites will be (re)developed in order to offer a total of 526 self-contained units (320 in Amsterdam and 206 in Utrecht). The Amsterdam site with a long-term lease is located on Karspeldreef, near Amsterdam Bijlmer Arena Station. In the end, a total of 320 self-contained student units are planned to be redeveloped on these sites. The result will be the largest

¹¹ See Press Releases dated 12 March 2018 and 28 March 2018.

¹² This is in line with the estimates of the independent property expert.

¹³ Taking account of a withholding tax of 30%.

student complex in the Xior portfolio in The Netherlands. This office building conversion project consists of 6 connected buildings, each with its own facilities (such as a lift). The building will also have 170 parking spaces.

The site in Utrecht is located in Rotsoord, where 206 self-contained student units will be developed. The residential spaces will be complemented by a wide range of (commercial) activities, such as restaurants, education and small businesses. The site is located near the Utrecht Vaartsche Rijn train, bus and tram station. In addition to the self-contained residential studios in two buildings, the 'Klop building' will be renovated in the classical style. The building will have a commercial purpose, and will therefore contribute to the atmosphere and liveliness of the site. The complex will also offer parking facilities.

These acquisitions strengthen Xior's position in two top 3 student cities in the Netherlands, where demand for quality student accommodation is very high. The transaction has a total expected investment value of approximately EUR 95 million, and will involve the acquisition of 100% of the shares in the relevant real estate companies. The actual acquisition of the site in Amsterdam is subject to due diligence and a number of customary conditions precedent and is planned in the autumn of 2018. The actual acquisition of the property in Utrecht has already been completed (see Chapter 2.3.2.1). The total announced expected investment value will be around EUR 95 million with an expected initial yield of approximately 5.8% (subject to further adjustments of the number of units and the expected rental values as the project is developed).

- **Joint venture agreement for the Brussels Region (Zaventem) Project**

On 29 November 2017, Xior signed an agreement on the redevelopment of an office complex to be converted on the outskirts of Brussels (Zaventem) close to various educational institutions (Université Catholique de Louvain, Ecam, Vinci, Ephec), Saint Luc University Hospital and various research institutions (such as the Duve Institute).

The redevelopment will be based on a joint venture with a private developer, with which Xior has collaborated in the past. This will allow Xior to strengthen its position in the Brussels region, where there is still a great demand for new, quality student housing.

The announced total investment value (after conversion) will be approximately EUR 36 million and the project has an announced expected average initial yield of approximately 6.3%. Xior's participation in the joint venture is subject to certain conditions, one of which is that a permit is obtained. The office building will then be converted into a complex of over 300 units (studios / student flat hotel) based on a design by architectural firm Jaspers-Eyers. The ground floor will house retail facilities, which will be redeveloped together with the underground parking spaces by a third-party investor.

This student property is expected to be operational for the academic year starting in September 2019. Xior was also granted a two-year rental guarantee on 50% of the offer for operating the student flat hotel and also received a partial one-year rental guarantee for the student units.

2.3.1.6 Operations

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

In Leuven, a new rental office opened that better matches the company's DNA and is literally and figuratively a showcase exuding the quality and service Xior stands for.

The rental activities for the next academic year are in full swing with the support of commercial initiatives, including one year of free accommodation for a few lucky Xior students. This promotion was linked to a successful influencer campaign on social media channels aimed at further strengthening the company's contact with the students.

2.3.1.7 Interest rate hedges

The Company pursues a policy that hedges a substantial part of the interest rate risk with regard to its long-term financing up to at least 70%, either with a fixed interest rate for the entire agreement term or with hedging instruments such as interest rate swaps and forward rate agreements. All outstanding (variable-rate) loans were hedged with interest rate swap contracts on 30 June 2018. The Company's hedging policy will be regularly evaluated and adjusted when necessary (for example with regard to the instrument types and hedging period).

We also refer to *Chapter 5.9.7 of this Half-Yearly Report* for the valuation of these hedging instruments on 30 June 2018.

2.3.2 TRANSACTIONS AND ACHIEVEMENTS AFTER THE FIRST HALF OF 2018

2.3.2.1 Acquisition of Utrecht Rotsoord

On 26 July 2018 Xior successfully completed the acquisition of the site in Rotsoord, Utrecht, which includes a project of two buildings containing a total of 206 self-contained accommodation units and a restored listed building for commercial activities. This acquisition includes one of the two purchase agreements concluded on 12 July 2018 following the Company's exercise of its purchase option (see *Chapter 2.3.1.4*)¹⁴. The transaction was completed by the acquisition of the real estate company's shares in the project.



¹⁴ See Press Release dated 12 July 2018.

2.4


FORECAST FOR THE SECOND HALF OF 2018

2.4.1 GROWTH PROSPECTS FOR THE SECOND HALF OF THE FINANCIAL YEAR 2018

Xior intends to continue pursuing its growth strategy. This involves promoting the growth of the company by adding high-quality student properties to its property portfolio and by further realising the project development pipeline. Xior has made great efforts in this respect in the first half of 2018 in order to achieve this growth.

We also refer to the above-mentioned transactions and achievements in the first half of 2018 (see item 2.3 above) in this context. Xior intends to complete the acquisitions planned for the second half of 2018, including those in Amsterdam, Karspeldreef (see items 2.3.1.4 above).

2.4.2 OUTLOOK

Subject to any unforeseen circumstances, Xior confirms it expects its EPRA earnings  per share for the financial year 2018 to remain at least stable compared to 2017 at EUR 1.43 per share and it expects its gross dividend to remain at least stable compared to 2017 at EUR 1.20 per share (subject to approval at the general meeting). Xior expects to at least repeat the results of the previous year after the number of shares increased by 54% following the successful capital increase in June 2017 and increased again by 6.4% as a result of the contribution in kind in March 2018 (see **Chapter 2.3.1.3**) and again by 50% following the successful completion of the capital increase in June 2018. These capital increases are one of the reasons why Xior managed to achieve a strong project development pipeline, which will start to contribute fully to the return and the intended further growth of the portfolio, EPRA earnings and dividend in the course of 2019 and the following years.

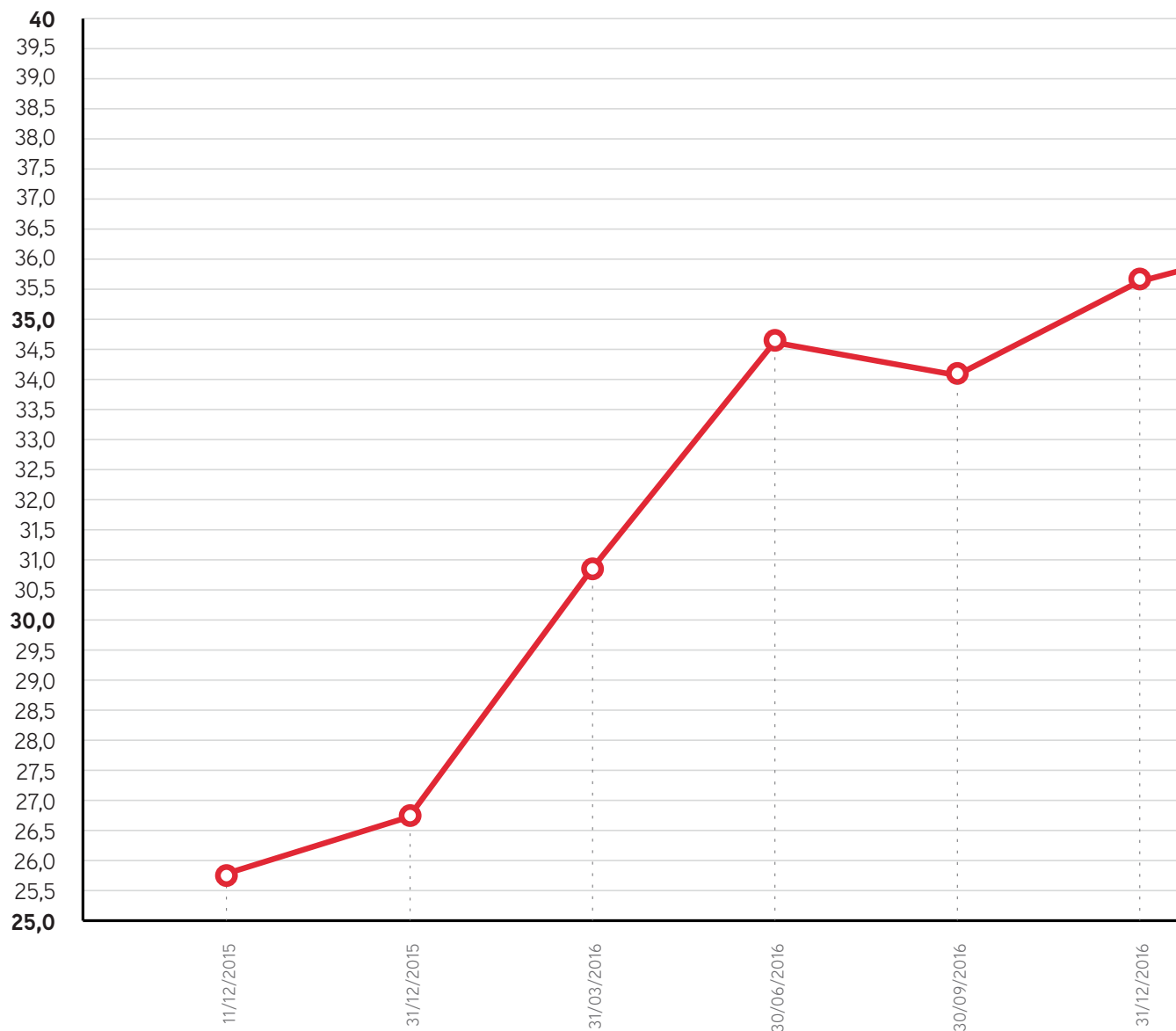
The debt ratio was 39.26% on 30 June 2018 compared to 53.62% on 31 December 2017, which leaves sufficient margin for further growth financed with loan capital.

2.5

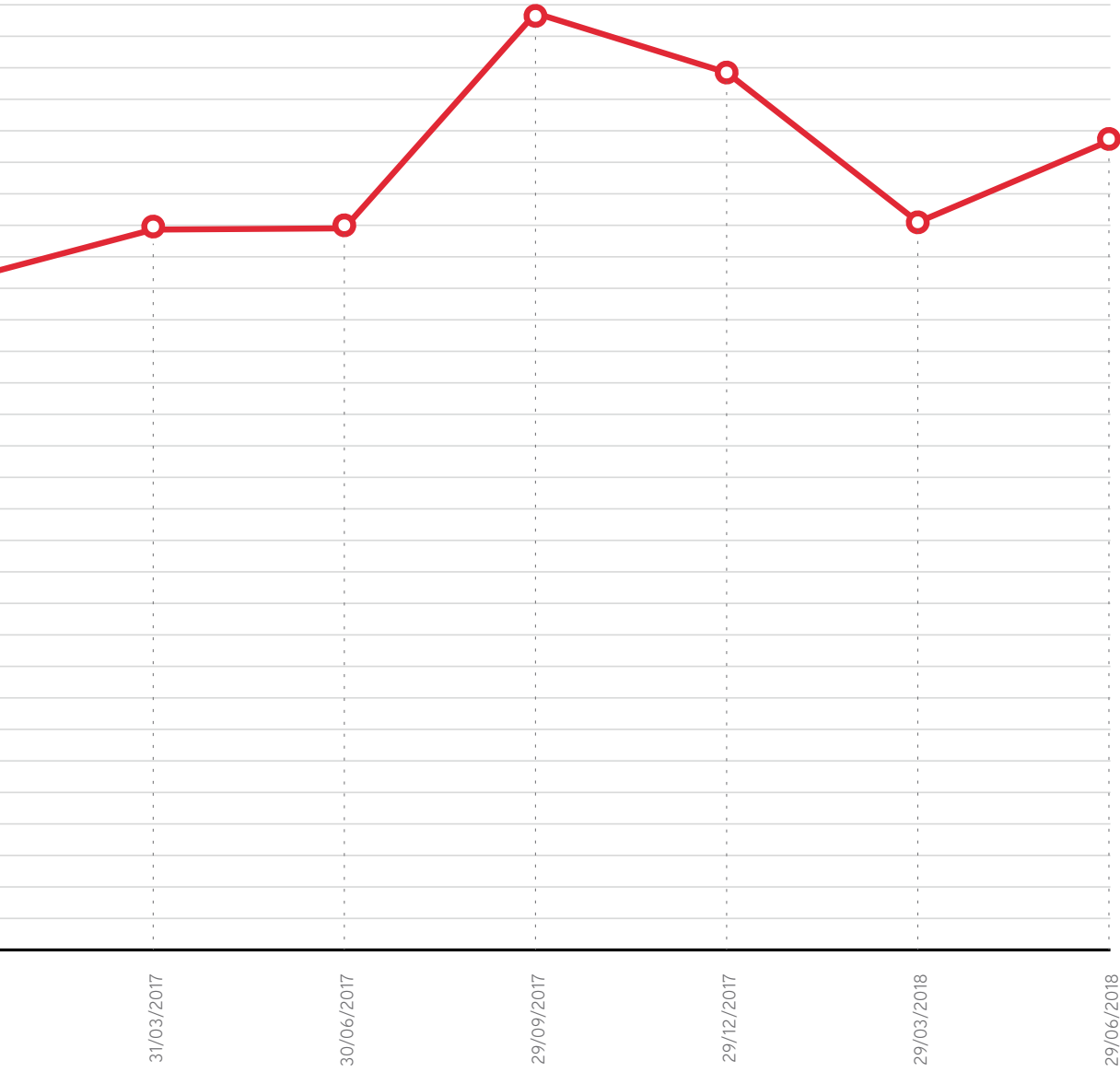
THE XIOR SHARE

2.5.1 THE SHARE ON EURONEXT BRUSSELS



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



XIOR share price evolution (in EUR)



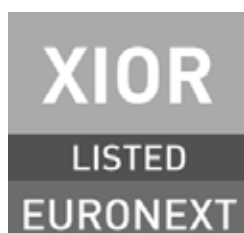
The closing price at the end of the first half of 2018 was EUR 37.90, which represents a premium of 35% compared to the net value per share on 30 June 2018 (see also Royal Decree on Regulated Real Estate Companies), which was EUR 28.13 per share. Xior's market capitalisation on Euronext Brussels rose to approximately EUR 491 million in the first half of 2018.

	30/06/2018	31/12/2017	31/12/2016
Number of issued shares	12,968,815	8,128,249	5,270,501
Weighted average number of shares¹	9,099,666	6,851,483	4,926,405
Market capitalisation (in EUR)	491,518,089	316,920,429	187,998,771
Free float	79.67%²	76.83%²	71.00%
Share price (closing price) for relevant period (in EUR)			
Highest	40.90	41.40	37.19
Lowest	33.20	35.13	26.76
Average	37.02	37.49	33.22
At year-end closing	37.90	38.99	35.67
Volume (in number of shares)			
Number of shares traded	1,303,881	1,297,992	1,246,297
Average daily volume	10,348	5,090	4,849
Share turnover	14.73%³	18.94%	25.30%
NAV (IFRS) (in EUR)	28.13	27.47	24.97
EPRA NAV (in EUR) 	28.41	27.50	25.33
Dividend pay out ratio	NA	84%	98.3%
EPRA earnings per share (in EUR) 	0.64	1.43	1.17

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

² This free float percentage includes the participation of AXA Investment Managers S.A., which holds a 5.19% stake based on a transparency declaration on 21 December 2016 and the denominator on 21 December 2016 (5,270,501). The Company has not received an additional transparency declaration from AXA Investment Managers S.A. since 21 December 2016.

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



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

2.5.2 SHAREHOLDERS

On 30 June 2018, the authorised capital of Xior Student Housing NV was EUR 233,438,670.00, represented by 12,968,815 fully paid-up shares.

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

	# shares	% shares
Aloxe NV - Dhr. C. Teunissen & Dhr. Frederik Snauwaert	2,636,995	20.33% ¹
AXA Investment Managers S.A. ²	273,348	5.19%

¹ The number of shares and the percentage is updated based on public information in the context of the capital increase of June 2017 and June 2018 and/or share transactions, and based on the denominator on 12 June 2018 (12,968,815).

² Based on the transparency notice of 21 December 2016 and the denominator on 21 December 2016 (5,270,501). The Company has not received an additional transparency declaration from AXA Investment Managers S.A. since 21 December 2016.



Phoenixstraat
DELFT

Gemeente Delft

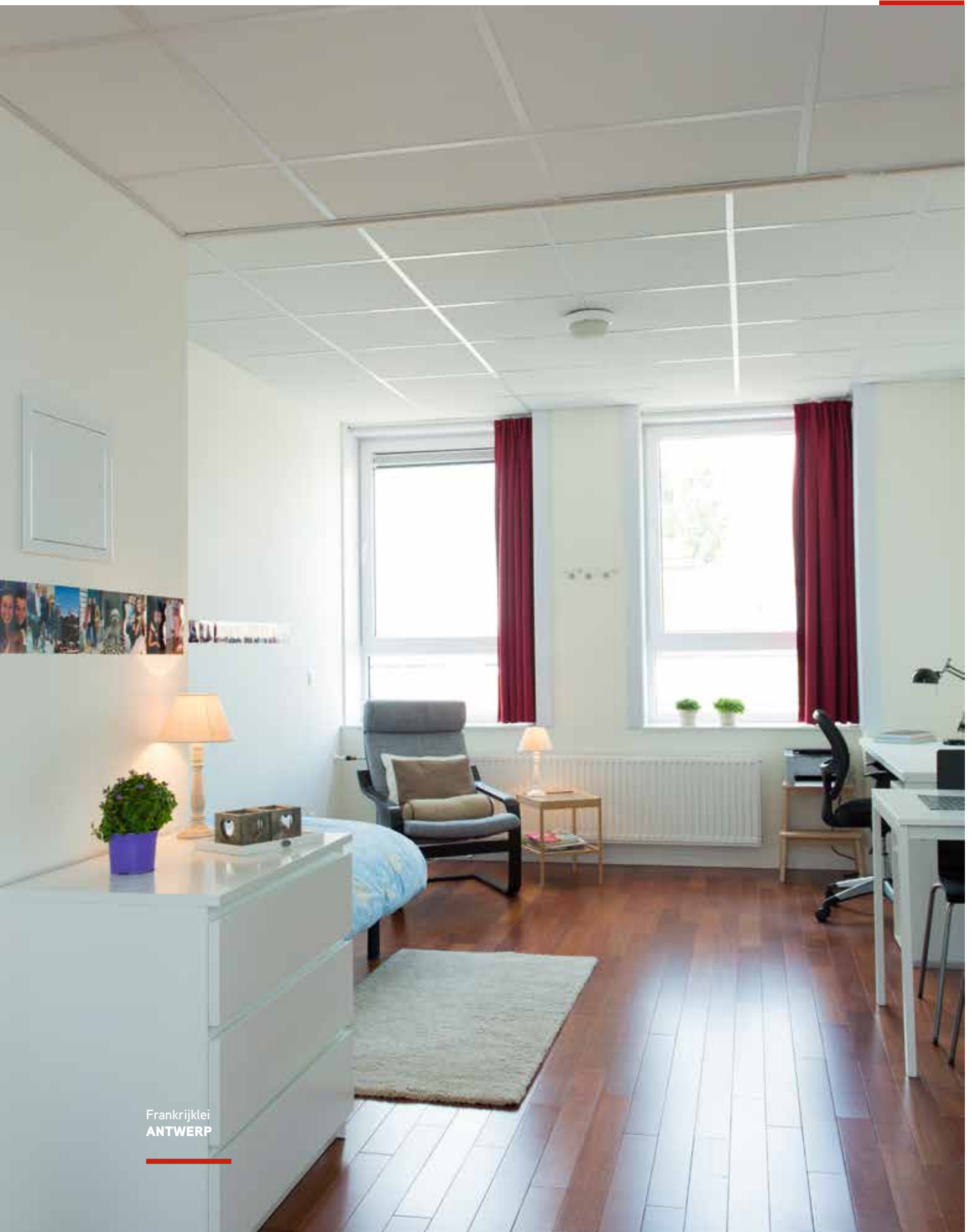


03

Risks for the remaining months of 2018

The Board of Directors and management of Xior are aware of the specific risks associated with the provision and management of a property portfolio, and try to optimally manage these risks by mitigating or neutralising them as far as possible.

With regard to the main risks and uncertainties for the remaining months of the financial year 2018, we refer to the description of these risks and uncertainties on pages 13 to 28 of the Annual Financial Report 2017 (available on the Company website www.xior.be), which will also remain relevant for the remaining part of 2018.



Frankrijklei
ANTWERP



Frederik Lintsstraat
LEUVEN



04

Property report

4.1

PROPERTY MARKET

Student housing is highly fragmented in both Belgium and the Netherlands, with many private landlords renting out student rooms. Students also often live in studios, apartments or houses in the regular housing market. Student accommodation is often expensive or outdated and there is a shortage in most cities. A strong wave of new large student complex developments has eliminated this shortage somewhat, but student numbers continue to grow and there is still a need for more and better accommodation.

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

The student housing sector also has a fragmented regulatory framework with variations of a national (for example Belgium as compared to the Netherlands), regional (varying from region to region) and local (varying from municipality to municipality) differences. The regulatory framework is currently evolving. In the three Belgian regions, for example, several initiatives are being taken to review the regionalised rental legislation (albeit at different rates).

Educational institutions also require a high-quality supply of student accommodation, better management and maintenance, and affordable rents. They also tend to enter into public-private partnerships with the professional property sector to increase and improve the supply in their city. The future lies with well-equipped and affordable student accommodation, under good management. There is increasing demand for self-contained rooms and more privacy in both the Netherlands and Belgium.

The number of students in Belgium and the Netherlands is expected to continue to grow over the next few years. This is mainly because of further internationalisation often due to coordinated European or international exchange programmes. The relatively low educational costs, the quality of the education and the courses taught in English (particularly in the Netherlands, which is the front runner in Europe in this respect) attract even more international students. International students need excellent facilities and are increasingly requesting self-contained rooms. It is mostly major student cities and the most popular universities that attract international students.

4.2

PROPERTY PORTFOLIO

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

4.2.1 PORTFOLIO SUMMARY

	Rental income on 30/6/2018 (in KEUR)	Units - rooms	Units - other	Fair Value
Belgium	4,219	1,787	96	189,804,490
The Netherlands	6,788	2,328	410	278,718,410
Under construction – Belgium		226	-	25,353,822
Under construction – Netherlands	69	369	2	37,027,761
Hostel – Belgium	339	-	50	8,572,939
To be converted – Netherlands ¹	1,570	1,089	190	103,533,986
Total	12,985	5,799	748	643,011,408

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

²The total Fair Value was KEUR 643,011 on 30 June 2018, as estimated by the valuation expert. The consolidated balance sheet included investment properties for an amount of KEUR 612,012. The difference is due to: a) The real estate associated with the joint venture, the full value of the real estate is included in the above table, but is not entered under investment properties (KEUR 12,471). b) A number of properties are still under construction or being converted on 30 June 2018. The calculation of the amount on the consolidated balance sheet took into account expected construction costs (KEUR 16,692). c) A number of buildings in the portfolio need specific structural work (new lift, update of installations, work on the front wall and so on). The calculation of this amount included on the consolidated balance sheet also took into account expected costs (KEUR 1,823).

4.2.2 DESCRIPTION AND DIVERSIFICATION OF THE PROPERTY PORTFOLIO

4.2.2.1 General description of the property portfolio

On 30 June 2018, the Company's property portfolio consisted of 78 properties. Of these, 45 properties are located in Belgium and 33 in the Netherlands. These properties offer a total of 4,105 lettable student rooms and there is also retail activity on the ground floor of ten of these buildings. The property portfolio also includes two properties used only for retail activities, a hostel in Ghent with 50 units, a car park in Antwerp and a number of parking spaces in Leuven. On 30 June 2018, the property portfolio had a total occupancy rate of 98.45%, not including the buildings that are under construction and are being converted.

On 30 June 2018, the total Fair Value of the property portfolio was EUR 643,011,408. The Company is a pure player in student housing and has student property as its core activity. The property portfolio is strategically diversified: its student accommodation is a well-balanced mix in terms of geographical diversification and student property types (see different types of student rooms). The large number of different tenants and various room types attract a wide range of different types of student tenants, ensuring a good diversification in terms of tenant types.

4.2.2.2 Breakdown in sub-portfolios

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

The rental income is the annual rent based on the tenancy schedule on 31 December 2017.

		Fair Value	Contract rental income on 31/12/2017	Insured value	Acquisition value
BE	Antwerp	47,501,950	2,250,754	22,029,791	45,845,500
	Brussels	34,574,114	245,700	5,621,659	28,140,824
	Ghent	67,004,930	3,000,770	38,739,456	54,094,700
	Leuven	72,754,230	2,859,535	31,676,158	69,178,378
	Mechelen	1,896,027	75,780	1,408,700	1,894,000
NL	Amsterdam	76,225,540	3,076,754	52,807,885	68,000,000
	Breda	22,122,132	1,296,248	14,273,101	21,155,579
	Delft	38,621,663	1,718,633	17,867,660	35,874,771
	The Hague	43,205,099	2,489,062	30,668,328	38,765,325
	Eindhoven	10,477,954	656,330	5,351,633	10,400,000
	Enschede	28,516,820	NA	NA	27,462,865
	Groningen	22,648,786	NA	NA	17,981,200
	Leiden	14,584,930	813,551	12,086,505	12,741,323

Maastricht	66,819,478	2,001,056	44,675,681	65,296,957
Rotterdam	61,081,928	2,989,816	53,738,240	58,266,500
Tilburg	5,950,000	373,082	4,036,458	5,441,826
Utrecht	9,254,552	541,894	4,058,381	8,700,000
Venlo	19,771,275	1,227,070	12,165,000	18,825,000
TOTAL	643,011,408	25,616,035	351,204,636	588,064,748

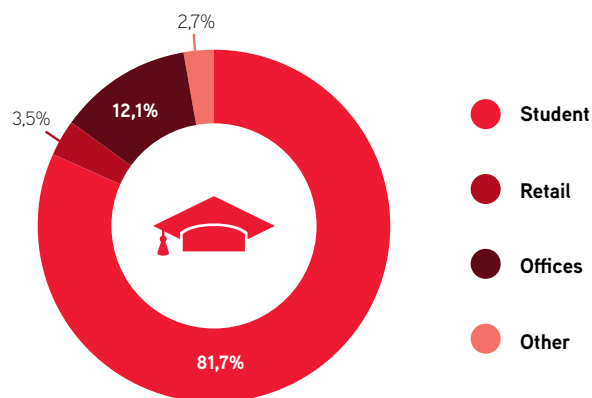
Xior Student Housing's property portfolio is insured for a total reconstruction value of EUR 351 million, which does not include the land on which the property was built, compared to a Fair Value of EUR 643 million (including the land) on 30 June 2018. This is 55% of the Fair Value.

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

4.2.2.3 Property portfolio type

The following graph shows the diversification of rental income for every type of property based on the rental income achieved for the respective properties in the property portfolio on 30 June 2018.

Total rent - Diversification by type



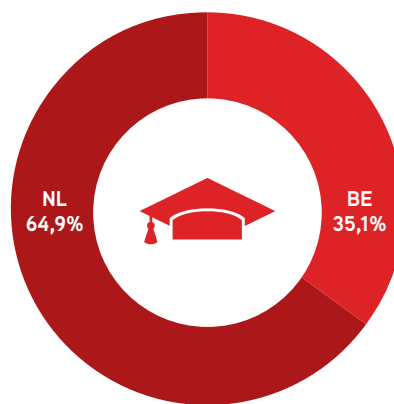
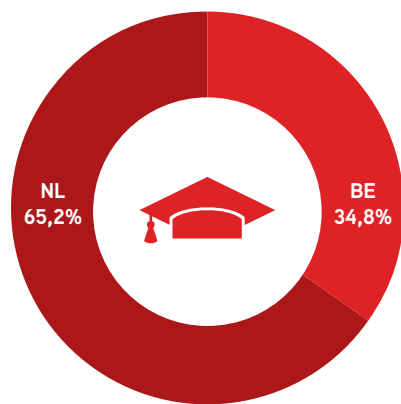
The above summary shows the strong focus on student property, which accounts for 81.7% of rental income. There is also temporary rental income from offices pending their conversion (12.1%). The portfolio also includes a limited number of retail spaces (3.5% of the rental income), which are mostly situated on the ground floor of properties primarily serving as student accommodation. Two properties are used exclusively for retail purposes. As the properties typically have an excellent central location in the city, the retail spaces tend to be city shops, pubs and restaurants in a central, concentrated shopping district. The 'Other' segment (2.7% of the portfolio) comprises rental income from other activities, including the hostel in Ghent and the car park in Antwerp.

4.2.2.4 Geographical diversification of the property portfolio

The following graphs show the diversification of the property portfolio by country based on the Fair Value. The portfolio in the Netherlands includes 33 properties, which represents a total Fair Value of EUR 419 million or 65% of the entire real estate portfolio. The other 35% is located in Belgium, with a total of 45 properties and a Fair Value of EUR 224 million. Based on rental income, Belgium accounts for 35.1% of the property portfolio with EUR 4.6 million. The other EUR 8.4 million, which is 64.9% of rental income, is generated in the Netherlands. The acquisitions of 2017 and 2018 resulted in a rise in the Fair Value and rental income of the Dutch properties.

Fair Value - Diversification by country

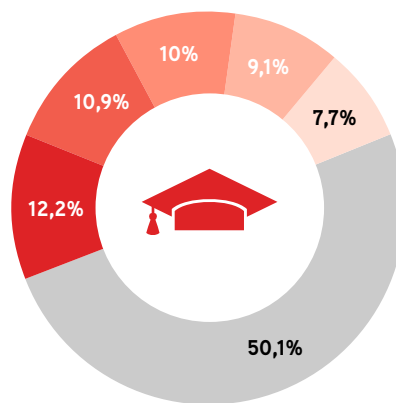
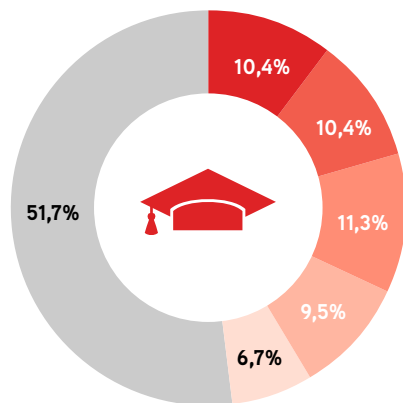
Rental Income - Diversification by country



The RREC's property portfolio includes 78 properties spread across 5 cities in Belgium and 13 cities in the Netherlands. The properties are located in Brussels and the main student cities in Flanders, such as Leuven, Ghent and Antwerp, and the main student cities in the Netherlands, such as Amsterdam, Breda, The Hague, Tilburg, Maastricht, Eindhoven, Delft, Rotterdam, Utrecht, Venlo, Leiden, Groningen and Enschede. The locations of the various properties in Belgium and the Netherlands and their representation in the property portfolio's Fair Value and rental income are provided below:

Fair Value - Diversification by city

Rental Income - Diversification by city

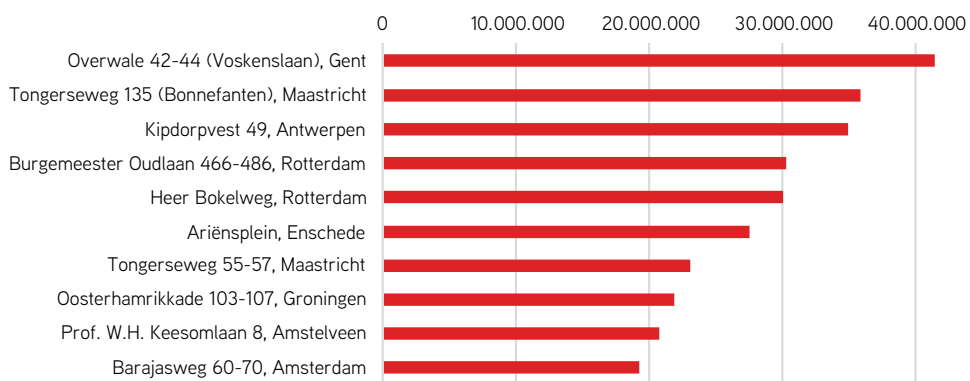


- Maastricht
- Ghent
- Leuven
- Rotterdam
- The Hague
- Other

4.2.2.5 Diversification in terms of Fair Value

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

Table: Top 10 Total Rent



Overwale 42-44 has the highest Fair Value: EUR 42,838,210, which is 6.67% of the property portfolio's total Fair Value. The top 3 biggest portfolio properties in terms of Fair Value also include Tongerseweg 135 (Bondefantencollege) and Kipdorpvest. They represent 5.62%¹⁵ and 5.43% of the property portfolio's total Fair Value, respectively.

¹⁵ Fair Value upon completion.

4.2.3 REPORT BY PROPERTY EXPERTS STADIM AND CUSHMAN & WAKEFIELD¹⁶ ON 30 JUNE 2018

'Dear,

We are pleased to present our appraisal of the value of the property portfolio of Xior Student Housing NV (Stadim: 45 properties in Belgium and 20 properties in the Netherlands; Cushman & Wakefield: 13 properties in the Netherlands) on 30 June 2018.

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

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

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

We have acted as independent experts. As property experts, we hold a relevant and accredited qualification and have up-to-date experience with properties of a similar type and

location to those in Xior's property portfolio.

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

Based on the comments above, we can confirm that the Fair Value of the part of Xior's property portfolio appraised by Stadim (45 properties in Belgium and 20 in the Netherlands) was EUR 553,581,107 (five hundred and fifty-three million, five hundred and eighty-one thousand and one hundred and seven euros) on 30 June 2018.

Based on the comments above, we can confirm that the rounded Fair Value of the part of Xior's property portfolio appraised by Cushman & Wakefield (13 properties in the Netherlands) was EUR 89,430,000 (eighty-nine million, four hundred and thirty thousand euros) on 30 June 2018.

Yours faithfully,

Stadim
Cushman & Wakefield'

¹⁶ DTZ Zadelhof Vof was acquired by Cushman & Wakefield.



Minderbroedersstraat
LEUVEN



Nieuwlandstraat
TILBURG



05

Consolidated condensed financial statements for the first half of 2018

5.1

CONSOLIDATED CONDENSED PROFIT AND LOSS ACCOUNT

Figures are in thousand EUR.

Profit and loss account		30/06/2018	30/06/2017
I.	(+) Rental income	12,985	7,396
	(+) Rental income	12,428	7,366
	(+/-) Rental guarantees	578	43
	(+/-) Rent reductions	-21	-14
III.	(+/-) Rent-related expenses	-11	-9
	Impairments of trade receivables	-11	-9
	Net rental income	12,974	7,387
V.	(+) Recovery of rental charges and taxes normally payable by the tenants for let properties	2,237	1,191
	Transmission of rental charges borne by the owner	2,222	1,082
	Charges for withholding tax and taxes on let properties	14	109
VII.	(-) Rental charges and taxes normally payable by the tenants for let properties	-2,581	-1,369
	Rental charges borne by the proprietor	-2,500	-1,216
	Advance levies and taxes on let properties	-80	-154
VIII.	(+/-) Other rent-related income and expenditure	-342	-314
	Property result	12,287	6,896
IX.	(-) Technical costs	-364	-433
	Recurring technical costs	-351	-433
	(-) Maintenance	-266	-387
	(-) Insurance premiums	-85	-46
	Non-recurring technical costs	-13	0
	(-) Damages	-13	0
X.	(-) Commercial costs	-172	-102
	(-) Publicity	-161	-102
	(-) Legal costs	-11	
XI.	(-) Costs and taxes for non-let properties	-120	-19
XII.	(-) Property management costs	-777	-551
	(-) Management costs (external)	-529	-253
	(-) Management costs (internal)	-248	-297
XIII.	(-) Other property charges	-911	-635
	(-) Architects' fees		-1

(-)	Valuation expert fees	-98	-65
(-)	Other	-813	-568
(+/-)	Property charges	-2,343	-1,740
	Property operating result	9,943	5,156
XIV. (-)	General company expenses	-1,401	-1,022
XV. (+/-)	Other operating result and costs	25	52
	Operating result before result on the portfolio	8,568	4,186
XVI. (+/-)	Result from the sale of investment properties	0	0
(+)	Net property sales (sales price – transaction fees)	0	0
(-)	Book value of the sold property	0	0
XVIII. (+/-)	Changes in the Fair Value of investment property	405	810
(+)	Positive changes in the Fair Value of investment property	3,423	1,949
(-)	Negative changes in the Fair Value of investment property	-3,019	-1,139
XIX. (+)	Other portfolio results	-220	1,260
	Operating result	8,752	6,256
XX. (+)	Financial income	64	17
(+)	Interest and dividends collected	64	17
XXI. (-)	Net interest costs	-1,825	-1,323
(-)	Nominal interest paid on loans	-1,011	-944
(-)	Reconstitution of the nominal amount of financial debt	-45	-39
(-)	Costs of permitted hedging instruments	-769	-329
(-)	Permitted hedging instruments that are not subject to hedging accounting as defined by IFRS	-769	-329
(-)	Income from permitted hedging instruments		
(-)	Other interest charges		-12
XXII. (-)	Other financial costs	-55	-17
	Bank costs and other commissions	-51	-25
	Other	-4	9
XXIII. (+/-)	Changes in the fair value of financial assets and liabilities	-2,811	1,216
	Permitted hedging instruments that are not subject to hedging accounting as defined by IFRS	-2,811	1,216
	Other		
(+/-)	Financial result	-4,627	-107
XXVI.	Share in the result of associated companies and joint ventures	-43	
	Result before taxes	4,082	6,148
XXV. (+/-)	Corporate tax	-3,552	-374
XXVI. (+/-)	Exit tax		-4
(+/-)	Taxes	-3,552	-378
	Net result	531	5,770

5.2

SUMMARY OF THE TOTAL RESULT

Figures are in thousand EUR.

	30/06/2018	30/06/2017
Net result	531	5,770
Other components of the comprehensive income	0	0
(+/-) Impact on the fair value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property	0	0
(+/-) Variations in the effective part of the fair value of permitted cash flow hedging instruments	0	0
Comprehensive result	531	5,770
Attributable to:		
Minority interests	0	0
Group shareholders	531	5,770

5.3

CONDENSED CONSOLIDATED BALANCE SHEET

Figures are in thousand EUR.

Assets	30/06/2018	31/12/2017
Fixed assets	613,889	490,425
A Goodwill	0	0
B Intangible fixed assets	14	16
C Investment property	612,012	488,762
a Property available to let	542,461	461,905
b Property developments	69,551	26,857
D Other tangible fixed assets	630	347
a Tangible fixed assets for own use	630	347
Other		
E Financial fixed assets	21	21
Assets held until maturity		
Other	21	21
F Financial leasing receivables		
G Trade receivables and other fixed assets	135	135
H Deferred taxes - assets	2	2
I Participating interests in associated companies and joint ventures - equity movements	1,076	1,143
Current assets	21,430	13,562
D Trade receivables	761	1,683
E Tax receivables and other current assets	14,517	10,869
a Taxes	859	778
Wages and social security contributions		
c Other	13,658	10,091
F Cash and cash equivalents	5,545	815
G Accruals and deferred payments	608	195
Prepaid property charges	245	94
Accrued rental income not due	171	35
Other	191	66
Total assets	635,320	503,987

Liabilities	30/06/2018	31/12/2017
Equity	364,837	223,291
I Equity attributable to parent company shareholders	364,837	223,291
A Capital	231,294	144,187
a Issued capital	233,439	146,308
b Capital increase costs	-2,145	-2,121
B Issue premiums	132,009	69,877
C Reserves	1,003	-1,728
Statutory reserves		
Reserve for the balance of the changes in the fair value of property	19,333	6,668
Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	-19,065	-6,642
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 IFRS	-924	-1,866
Retained earnings from previous financial years	1,659	113
D Net result for the financial year	531	10,954
II Minority interests	0	0
Liabilities	270,483	280,696
I Non-current liabilities	253,107	259,657
A Voorzieningen	0	0
Pensions		
Other		
B Non-current financial debts	234,684	251,744
a Credit institutions	234,684	251,744
b Financial leasing		
C Other non-current financial liabilities	3,736	924
Permitted hedging instruments	3,736	924
Other		
F Deferred taxes – liabilities	14,687	6,988
a Exit tax	0	0
b Other	14,687	6,988
II Current liabilities	17,376	21,039
B Current financial liabilities		
a Credit institutions	0	11,994
D Trade debts and other current liabilities	11,227	3,457
Exit tax		
Other	11,227	3,457

Suppliers	8,518	2,151
Tenants	1,061	387
Taxes, wages and social security contributions	1,647	919
E Other current liabilities	3,527	3,044
Other	3,527	3,044
F Accruals and deferred payments	2,623	2,544
Deferred income	765	1,436
Accrued interest not due and other costs	287	237
Other	1,572	871
Total equity and liabilities	635,320	503,987

5.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Capital	Issue premiums	Reserves	Net result of the financial year	Equity
Balance on 1 January 2017	94,869	32,261	-515	5,016	131,631
Net appropriation of income 2016					
Transfer of result on the portfolio to reserves			1,110	-1,110	0
Transfer of operating result to reserves			108	-108	0
Result for the period				5,770	5,770
Other elements recognised in the comprehensive result					0
Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment property					0
Changes in the fair value of financial assets and liabilities			-1,866	1,866	0
Issue of new shares	83,992				83,992
Capital increase through non-cash contribution	5,064				5,064
Costs of issuing new shares and of capital increase	-2,152				-2,152
Capital reduction to create an available reserve to cover future losses	0				
Partial allocation of capital to issue premiums	-37,616	37,616			0
Deferred taxes for Dutch real estate			-563		-563
Dividends				-5,665	-5,665
Balance on 30 June 2017	144,156	69,877	-1,726	5,769	218,077

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

Figures are in thousand EUR.

Detail of reserves	Statutory reserves	Reserve for the balance of the changes in the Fair Value of property	Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property
Balance on 1 January 2017	0	4,044	-4,565
Net appropriation of income			
Transfer of result on the portfolio to reserves		3,187	-2,077
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			
Changes in the fair value of financial assets and liabilities			
Issue of new shares			
Capital increase through non-cash contribution			
Costs of issuing new shares and of capital increase			
Capital reduction to create an available reserve to cover future losses			
Deferred taxes for Dutch real estate		-563	
Dividends			
Other			
Balance on 30 June 2017	0	6,668	-6,642

Reserve for the balance of the changes in the fair value of permitted hedging instruments that are subject to hedging accounting as defined in IFRS	Available reserve: reserve for expected losses	Other reserves	Retained earnings from previous financial years	Total of the reserves
0	0	0	6	-515
			5,015	5,015
			-1,110	0
				0
				0
				0
				0
				0
-1,866			1,866	0
				0
				0
				0
				0
				-563
			-5,665	-5,665
				0
-1,866	0	0	112	-1,728

Figures are in thousand EUR.

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

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

5.5

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

Figures are in thousand EUR.

	30/06/2018	30/06/2017
Cash and cash equivalents at the start of the period	815	4,098
1 Cash flow from operating activities	3,931	1,113
Cash flow from operations	6,805	4,814
Operating result	8,752	6,256
Interest paid	-1,647	-1,209
Interest received	0	17
Other	-43	0
Corporate taxes paid	-257	-250
Non-cash elements added to/subtracted from the result	198	-2,339
Amortisations and impairments	66	
Amortisations/impairments (or writebacks) on tangible and intangible assets		
Other non-cash elements	132	-2,339
Changes in the Fair Value of the real estate property		-2,070
Other non-cash elements	132	-269
Change in working capital requirements:	-3,072	-798
Movement of assets	-3,584	-482
Movement of liabilities	513	-316
2 Cash flow from investment activities	-93,239	-80,189
Acquisition of investment property and property developments	-73,060	-53,726
Sale of investment property		0
Purchase of shares in real estate companies	-19,897	-26,434
Sale of shares in real estate companies		0
Acquisition of other tangible assets	-281	-30
Acquisition of non-current financial fixed assets		0
Receivables on trade and other non-current assets		0
Assets held for sale		0
3 Cash flow from financing activities	93,901	80,766

Change in financial liabilities and financial debts		
Increase in financial debts	66,000	76,414
Decrease in financial debts	-95,000	-70,000
Repayment of shareholder loans		
Change in other liabilities		
Increase (+)/decrease (-) in other liabilities		-1,822
Increase (+)/decrease (-) in other debts		0
Change in equity		
Increase (+)/decrease (-) in capital/issue premiums	131,146	83,992
Other		
Costs for the issue of shares	-24	-2,152
Dividend		
Dividend for the previous financial year (-)	-8,223	-5,665
Increase in cash following merger/acquisitions	136	4
Cash and cash equivalents at the end of the period	5,545	5,792

5.6 NOTES

5.6.1 FINANCIAL REPORTING PRINCIPLES – GENERAL

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

This interim financial information for the period ending on 30 June 2018 was drawn up in accordance with IAS 34 'Interim Financial Reporting'. This interim report must be read together with the financial statement for the financial year ending on 31 December 2017. In the first half of 2018, Xior did not include any new IFRS standards or interpretations in its principles and the valuation rules applied to prepare the interim financial information are identical to those applied for the financial year ending on 31 December 2017.

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

No statutory half-yearly financial report was drawn up on 30 June 2018. The statutory financial statement is only drawn up at year-end.

5.6.2 CONSOLIDATION

The figures published in this Half-Yearly Report are consolidated figures: the subsidiaries are consolidated in accordance with the relevant legislation.

5.7

SEGMENT INFORMATION

The segmentation basis for reporting by segment is by geographic region. The rental income is broken down by geographic location: Belgium and the Netherlands. Every location is broken down further into students and other. Commercial decisions are taken at this level and rental income and occupancy rate are followed up at this level.

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

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

Figures are in thousand EUR.

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

	Belgium		The Netherlands		Non-allocated amounts	Total
	Students	Other	Students	Other		
On 30 June 2018						
Total assets	177,770	26,605	329,116	78,521	23,308	635,320
Investment property	177,770	26,605	329,116	78,521		612,012
Other assets					23,308	23,308
Total liabilities and equity					635,320	635,320
Equity					364,837	364,837
Liabilities					270,483	270,483

	Belgium		The Netherlands		Non-allocated amounts	Total
	Students	Other	Students	Other		
On 30 June 2017						
Net rental income	3,531	788	2,436	632		7,387
Property result						6,896
Property charges					-1,740	-1,740
Property operating result						5,156
General expenses					-1,022	-1,022
Other operating income and costs					52	52
Operating result before result on the portfolio						4,186
Result from the sale of investment property						0
Changes in the fair value of investment property	394	-73	624	-135		810
Other portfolio results				1,260		1,260
Operating result						6,256
Financial result					-107	-107
Result before taxes						6,148
Taxes					-378	-378
Net result						5,770
EPRA earnings						2,537
Result on the portfolio	394	-73	624	1,125		2,070

On 31 December 2017	Belgium		The Netherlands		Non-allocated amounts	Total
	Students	Other	Students	Other		
Total assets	171,069	25,740	215,705	76,249	15,224	503,987
Investment property	171,069	25,740	215,705	76,249		488,763
Other assets					15,224	15,224
Total liabilities and equity					503,987	503,987
Equity					223,291	223,291
Liabilities					280,696	280,696

5.8 ALTERNATIVE PERFORMANCE MEASURES (APMs)

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

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

EPRA earnings after IFRIC 21 adjustment	The net result +/- variations in the Fair Value of investment property +/- other portfolio result +/- result of the sale of investment property +/- variations in the Fair Value of financial assets and liabilities +/- deferred taxes with regard to IAS 40 +/- the impact of IFRIC 21 divided over 4 quarters.	Measuring the result of the strategic operational activities, excluding changes in the Fair Value of investment property, other portfolio result, the result from the sale of investment property and changes in the Fair Value of financial assets and liabilities, deferred taxes with regard to IAS 40 and adjusted for the impact of IFRIC 21. This indicates the extent to which dividend payments are supported by the earnings.
Result on the portfolio	Income from the sale of investment property +/- changes in the Fair Value of investment property +/- other portfolio result	Measuring the realised and unrealised gain/loss on investment property
Average interest rate	Interest charges including IRS interest expense divided by the average outstanding debt during the period	Measuring the average debt interest costs to allow a comparison with peers and analysis of the evolution over time
Average interest rate excl. IRS interest charges	Interest charges excluding IRS interest expense divided by the average outstanding debt during the period	Measuring the average debt interest costs to allow a comparison with peers and analysis of the evolution over time
Average financing costs	Interest costs including IRS interest expense + arrangement fees and commitment fees, divided by the average outstanding debt during the period	Measuring the average debt financing cost to allow a comparison with peers and analysis of the evolution over time
Average financing cost excl. IRS interest charges	Interest charges including IRS interest charges + arrangement fees and commitment fees, divided by the average outstanding debt during the period	Measuring the average debt financing cost to allow a comparison with peers and analysis of the evolution over time
EPRA earnings per share	The net result +/- result of the sale of investment property +/- changes in the Fair Value of investment property +/- other portfolio result +/- changes in the Fair Value of financial assets and liabilities +/- deferred taxes with regard to IAS 40 adjustments divided by the average number of shares	Comparability with other RRECs and international property players
EPRA earnings per share after IFRIC 21 adjustment	The net result +/- result of the sale of investment property +/- changes in the Fair Value of investment property +/- other portfolio result +/- changes in the Fair Value of financial assets and liabilities +/- deferred taxes with regard to IAS 40 adjustments +/- IFRIC 21 adjustment divided by the average number of shares	Comparability with other RRECs and international property players

EPRA NAV	This is the NAV that has been adjusted to include real estate and other investments at their Fair Value and to exclude certain items that are not expected to materialise in a business model with long-term investment property.	Comparability with other RRECs and international property players
EPRA triple net asset value (NNNAV)	EPRA net asset value (NAV) adjusted to take into account (i) the Fair Value of the assets and liabilities, (ii) the Fair Value of debts and (iii) the deferred tax.	Comparability with other RRECs and international property players
EPRA cost ratio (incl. vacancy costs)	EPRA costs (including vacancy costs) divided by the gross rental income, less the rent still to be paid on rented land.	Comparability with other RRECs and international property players
EPRA cost ratio (excl. vacancy costs)	EPRA costs (excluding vacancy costs) divided by the gross rental income, less the rent still to be paid on rented land.	Comparability with other RRECs and international property players

Alternative Performance Measures (APMs): reconciliation tables

EPRA earnings	30/06/2018	30/06/2017
Net result	531	5,770
Changes in the fair value of the real estate property	-405	-810
Other portfolio results	220	-1,260
Result from the sale of investment properties	0	0
Changes in the fair value of financial assets and liabilities	2,854	-1,216
Deferred taxes with regard to IAS 40 adjustments	2,653	52
EPRA earnings	5,853	2,537

EPRA earnings after IFRIC 21 adjustment	30/06/2018	30/06/2017
Net result	531	5,770
Changes in the fair value of the real estate property	-405	-810
Other portfolio results	220	-1,260
Result from the sale of investment properties	0	0
Changes in the fair value of financial assets and liabilities	2,854	-1,216
Deferred taxes with regard to IAS 40 adjustments	2,653	52
EPRA earnings	5,853	2,537
IFRIC 21 impact	510	345
EPRA earnings after IFRIC 21 adjustment	6,363	2,882

Result on the portfolio	30/06/2018	30/06/2017
Result from the sale of investment properties	0	0
Changes in the fair value of the real estate property	405	810
Other portfolio results	-220	1,260
Result on the portfolio	185	2,070

Average interest rate	30/06/2018	30/06/2017
Nominal interest paid on loans	1,011	944
Costs of permitted hedging instruments	769	329
Capitalised interest	651	171
Average outstanding debt for the period	287,463	162,215
Average interest rate	1.69%	1.78%
Average interest rate excl. costs of permitted hedging instruments	1.16%	1.37%

Average financing costs	30/06/2018	30/06/2017
Nominal interest paid on loans	1,011	944
Costs of permitted hedging instruments	769	329
Capitalised interest	651	171
Reconstitution of the nominal amount of financial debt	45	39
Bank costs and other commissions	55	29
Average outstanding debt for the period	287,463	162,215
Average financing costs	1.76%	1.86%
Average financing cost excl. costs of permitted hedging instruments	1.23%	1.46%

EPRA earnings per share	30/06/2018	30/06/2017
Net result	531	5,770
Changes in the Fair Value of the real estate property	-405	-810
Other portfolio results	220	-1,260
Result from the sale of investment properties	0	0
Changes in the fair value of financial assets and liabilities	2,854	-1,216
Deferred taxes with regard to IAS 40 adjustments	2,653	52
Weighted average number of shares	9,099,666	5,553,555
EPRA earnings per share	0.64	0.46
IFRIC 21 impact	510	345
EPRA earnings per share after IFRIC 21 adjustment	0.70	0.52

EPRA NAV	30/06/2018	31/12/2017
Net asset value according to the financial statements	364,837	223,291
To be excluded:		
Fair value of financial assets and liabilities	3,736	924
EPRA NAV	368,573	224,215
EPRA NAV (EUR/share)	28.41	27.58

EPRA triple net asset value (NNNAV)	30/06/2018	31/12/2017
EPRA NAV	368,573	224,215
To be added:		
Fair value of financial assets and liabilities	-3,736	-924
EPRA NNAV	364,837	223,291
EPRA NNAV (EUR/share)	28.13	27.47

EPRA cost ratio	30/06/2018	30/06/2017
General expenses	1,401	1,022
Impairments of trade receivables	11	9
Property charges	2,343	1,740
EPRA costs (incl. vacancy costs)	3,755	2,771
Vacancy costs	120	19
EPRA costs (excl. vacancy costs)	3,635	2,751
Gross rental income	12,985	7,396
EPRA cost ratio (incl. vacancy costs)	28.9%	37.5%
EPRA cost ratio (excl. vacancy costs)	28.0%	37.2%
IFRIC 21 impact	510	345
EPRA cost ratio (incl. vacancy costs) after IFRIC 21 adjustment	25.0%	32.8%
EPRA cost ratio (excl. vacancy costs) after IFRIC 21 adjustment	24.1%	32.5%

5.9

OTHER NOTES

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

5.9.1 PROPERTY RESULT

Figures are in thousand EUR.

	30/06/2018	30/06/2017
(+) Rental income	12,985	7,396
Rent	12,428	7,367
Rental guarantees	578	43
Rent reductions	-21	-14
(+) Writeback of rental carried over and discounted		
(+/-) Rent-related expenses	-11	-9
Net rental income	12,974	7,387
(+) Recovery of property charges	0	0
(+) Recovery of rental charges and taxes normally payable by the tenants for let properties	2,237	1,191
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at the end of the tenancy	0	0
(-) Rental charges and taxes normally payable by the tenants for let properties	-2,581	-1,369
(+/-) Other rent-related income and expenditure	-342	-314
Property result	12,287	6,895

Rent-related expenses include entered impairments on rent receivables.

Figures are in thousand EUR.

	30/06/2018	30/06/2017
(+/-) Summary of rental income that could cease to exist in future		
Within one year	10,136	5,999
Between one and five years	1,527	466
More than five years	1,322	931
Total	12,985	7,396

The above table shows how much of the rental income earned in the first half of 2018 could theoretically cease to exist in future if the current tenants give notice of termination on the next contractually permitted date and no new tenant is found.

Most of Xior Student Housing NV's tenancy agreements are short-term contracts for letting student units. These contracts are typically concluded for a one-year period, after which they can be extended. Xior also tries to conclude long-term contracts with colleges or universities for some of the rooms in its portfolio. In the course of 2016, the Company signed a contract with Hogeschool Gent for a 20-year term for the rental of 318 of the 490 student rooms in the complex located at Overwale 42-44 in Ghent. The Company also signed a contract with Stichting Zuyd Hogeschool for the rental of 60 of 134 student rooms and with Maastricht University for the rental of 20 of 134 student rooms at the student complex located at Vijverdalseweg in Maastricht. These contracts were originally signed for a three-year term in August 2014 and have been extended by one year twice already. The current extension is until August 2019. For the project in Enschede, there is an eight-year contract (until 1 August 2026) with Saxion for the 108 units (105 non-self contained and 3 self-contained units) and a ten-year contract (until 1 August 2028) for an education facility, also with Saxion. On 30 June 2018, 11% of the total number of lettable student units was let with the help of colleges or universities. These contracts with colleges and universities account for 6.10% of the rental income.

Xior Student Housing NV also has several other types of tenancy agreements that are also long-term. These are mainly the tenancy agreements for the commercial properties, which typically have terms that exceed one year. The term of these contracts generally varies from three to ten 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 one to five years.

Rents are paid monthly and in advance. Certain property-related costs, such as running costs, taxes and levies and the communal costs are also charged to the tenant. Tenants pay a fixed monthly advance payment for this purpose with an annual settlement, or a fixed annual amount is charged to cover these costs. In order to guarantee tenants comply with their obligations, a rental guarantee of at least one month's rent, and in most cases two months' rent, is charged. This is paid mostly in cash and reflected on the balance sheet under other short-term liabilities.

5.9.2 RESULT ON THE PORTFOLIO

Figures are in thousand EUR.

	30/06/2018	30/06/2017
(+/-) Result from the sale of investment property	0	0
(+/-) Result from the sale of other non-financial assets	0	0
(+/-) Changes in the Fair Value of investment property	405	810
Positive changes in the Fair Value of investment property	3,423	1,949
Negative changes in the Fair Value of investment property	-3,019	-1,139
Positive variations of the estimated transaction fees and costs resulting from hypothetical disposal of investment property	0	0
Negative variations of the estimated transaction fees and costs resulting from hypothetical disposal of investment property	0	0
(+/-) Other portfolio result	-220	1,260
Result on the portfolio	185	2,070

Properties were acquired in the first half of 2018 through property acquisitions (sale-purchase and/or contribution) and share acquisitions.

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

- The difference between the Fair Value of properties acquired through property acquisitions (sale-purchase and/or contribution) and the fiduciary value of such property is processed as 'changes in the Fair Value of investment properties' on the income statement.
- The difference between the Fair Value of properties acquired through share acquisitions and takeover mergers and the fiduciary value of such properties as well as other sources of differences between the Fair Value and fiduciary value of the shares are processed as 'other portfolio result' on the income statement. This 'other portfolio result' concerns amounts resulting from application of the consolidation principles and merger transactions, and consists of the differences between the price paid for real estate companies and the Fair Value of the acquired net assets. This 'other portfolio result' also covers directly attributable transaction fees.
- The variation in Fair Value between 1 January 2018 and 30 June 2018 was entered under negative or positive variations in investment property.

5.9.3 FINANCIAL RESULT

Figures are in thousand EUR.

	30/06/2018	30/06/2017
(+) Financial income	64	17
(-) Net interest expense	-1,825	-1,323
Nominal interest paid on loans	-1,011	-944
Reconstitution of the nominal amount of financial debt	-45	-39
Costs of permitted hedging instruments	-769	-329
(-) Other interest costs	0	-11
(-) Other financial costs	-55	-16
Bank costs and other commissions	-51	-25
Other	-4	9
(+/-) Changes in the fair value of financial assets and liabilities		
Market value of interest rate swaps	-2,811	1,216
Share in the result of joint ventures	-43	
Financial result	-4,670	-107

The average interest rate ¹⁷ was 1.69% (1.16% without hedging instruments) on 30 June 2018 and 1.78% on 30 June 2017. The average financing cost ¹⁷ was 1.76% on 30 June 2018, compared to 1.86% on 30 June 2017.

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. 100% of the drawn down loans were hedged with IRS contracts on 30 June 2018.

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.

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

5.9.4 INVESTMENT PROPERTY

Figures are in thousand EUR.

Investment table	Investment property in operation	Property developments	Total
Balance on 1 January 2017	265,873	0	265,873
Acquisition through purchase or contributions of real estate companies	151,742	17,498	169,240
Further CAPEX investments	6,914	3,030	9,944
Purchase and contribution of investment property	35,387	5,330	40,717
Sale of investment property	-1,318	0	-1,318
Capitalised interest charges	401	103	504
Change in the fair value	2,906	896	3,802
Transfer from/to	0	0	0
Balance on 31 December 2017	461,904	26,856	488,760
Acquisition through purchase or contributions of real estate companies	53,800	0	53,800
Further CAPEX investments	804	19,899	20,703
Purchase and contribution of investment property	0	47,693	47,693
Sale of investment property	0	-	0
Capitalised interest charges	277	374	651
Change in the fair value	3,288	-2,883	405
Transfer from/to	22,388	-22,388	0
Balance on 30 June 2018	542,461	69,551	612,012



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5.9.5 CAPITAL

Figures are in thousand EUR.

Evolution of capital

Date	Transaction
10/03/2014	Incorporation of company
23/09/2015	Capital increase
23/11/2015	Share split
11/12/2015	Sister mergers
11/12/2015	Capital increase by way of non-cash contribution as a result of the Share Contribution
11/12/2015	Mergers by acquisition
11/12/2015	Capital increase below accounting par value through cash contributions for the issue of new shares
11/12/2015	Capital reduction to create a reserve to cover foreseeable losses
1/03/2016	Merger with Devimmo NV
1/08/2016	Merger with CPG CVBA
11/10/2016	Contribution in kind of Woonfront Tramsingel BV
17/01/2017	KVS project contribution in kind
22/06/2017	Capital increase
26/03/2018	Enschede project contribution in kind
12/06/2018	Capital increase



	Previous capital (EUR)	Capital increase (EUR)	New capital (EUR)	Previous number of shares	New number of shares	Accounting par value (EUR)
		20,000.00	20,000.00		200.00	100.00
	20,000.00	1,230,000.00	1,250,000.00	200.00	12,500.00	100.00
	1,250,000.00		1,250,000.00	12,500.00	42,500.00	29.41
	1,250,000.00	23,328,937.02	24,578,937.02	42,500.00	975,653.00	25.19
	24,578,937.02	3,256,783.01	27,835,720.03	975,653.00	1,105,923.00	25.17
	27,835,720.03	3,696,060.08	31,531,780.11	1,105,923.00	1,253,764.00	25.15
	31,531,780.11	58,710,898.28	90,242,678.39	1,253,764.00	4,626,780.00	19.50
	90,242,678.39	-6,960,638.39	83,282,040.00	4,626,780.00	4,626,780.00	18.00
	83,282,040.00	4,151,826.00	87,433,866.00	4,626,780.00	4,857,437.00	18.00
	87,433,866.00	1,320,948.00	88,754,814.00	4,857,437.00	4,930,823.00	18.00
	88,754,814.00	6,114,204.00	94,869,018.00	4,930,823.00	5,270,501.00	18.00
	94,869,018.00	2,669,976.00	97,538,994.00	5,270,501.00	5,418,833.00	18.00
	97,538,994.00	48,769,488.00	146,308,482.00	5,418,833.00	8,128,249.00	18.00
	146,308,482.00	9,317,304.00	155,625,786.00	8,128,249.00	8,645,877.00	18.00
	155,625,786.00	77,812,884.00	233,438,670.00	8,645,877.00	12,968,815.00	18.00

Evolution of issue premiums

Figures are in thousand EUR.

Date	Transaction	Issue premiums
31/12/2015		25,615
1/03/2016	Merger with Devimmo NV	1,615
1/08/2016	Merger with CPG CVBA	514
11/10/2016	Woonfront contribution in kind	4,517
17/01/2017	KVS project contribution in kind	2,394
22/06/2017	Capital increase	35,222
28/03/2018	Enschede project contribution in kind	8,800
12/06/2018	Capital increase	53,332
Total issue premiums on 30 June 2018		132,009
Unavailable issue premiums		127,388
Available issue premiums		4,621

5.9.6 EARNINGS PER SHARE

	30/06/2018	30/06/2017
Number of ordinary shares in circulation	12,968,815	8,128,249
Weighted average number of shares	9,099,666	5,553,555
Net result per ordinary share (in EUR)	0.06	1.04
Diluted net result per ordinary share (in EUR)	0.06	1.04
EPRA earnings per share (in EUR) 	0.64	0.46
EPRA earnings per share after IFRIC 21 adjustment 	0.70	0.52

5.9.7 OTHER NON-CURRENT FINANCIAL LIABILITIES

The other non-current financial liabilities were KEUR 3,736 on 30 June 2018. They relate to the market value of the outstanding interest rate swap (IRS) agreements on 30 June 2018.

IFRS classification	Level (IFRS)	Notional amount	Variable interest rate (in %)	Fixed interest rate (in %)	Expires on	Fair Value liabilities
Interest Rate Swap	2	78,000,000	Euribor 3 M	0.56%	25/05/2024	1,193,078
Interest Rate Swap	2	52,000,000	Euribor 3 M	0.47%	29/12/2023	592,732
Interest Rate Swap	2	18,000,000	Euribor 3 M	0.59%	30/12/2024	232,650
Interest Rate Swap	2	45,000,000	Euribor 3 M	0.55%	31/12/2024	262,128
Interest Rate Swap	2	25,000,000	Euribor 3 M	1.15%	31/12/2027	975,706
Interest Rate Swap	2	25,000,000	Euribor 3 M	1.05%	31/12/2026	883,547
Interest Rate Swap	2	25,000,000	Euribor 6M	0.70%	1/04/2025	285,563
Floor	2	15,000,000			5/05/2022	-133,319
Floor	2	38,000,000			11/12/2019	-167,657
Floor	2	15,000,000			5/05/2021	-107,097
Floor	2	10,000,000			11/12/2020	-63,214
Floor	2	25,000,000			31/12/2019	-109,179
Floor	2	25,000,000			31/12/2019	-109,179
Total						3,735,758

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

5.9.8 FINANCIAL DEBTS

Figures are in thousand EUR.

	30/06/2018	31/12/2017
Non-current financial debts		
Bilateral loans – variable or fixed interest rate	235,000	264,000
Loan drawdown costs	-316	-262
Total	234,684	263,738

Figures are in thousand EUR.

	30/06/2018	31/12/2017
Non-current financial debts (excl. interest) – Breakdown according to maturity		
Between one and two years	0	11,994
Between two and five years	200,000	251,744
More than five years	35,000	0
Total	235,000	263,738

Figures are in thousand EUR.

	30/06/2018	31/12/2017
Unused loans		
Due within one year	160,000	4,000
Due after one year	0	0
Total	160,000	4,000

All financial debts have no underlying collateral.

Most financial debts have a variable interest rate. A total of KEUR 268,000 in financing is hedged with IRS contracts. This means that all outstanding financing is fully hedged.

Figures are in thousand EUR.

	30/06/2018	31/12/2017
Estimated future interest charges		
Within one year	2,909	2,713
Between one and five years	10,108	6,654
More than five years	1,145	
Total	14,162	9,367

Figures are in thousand EUR.

	30/06/2018	31/12/2017
Liquidity liability at maturity dates associated with the hedging instruments		
Within one year	1,755	1,657
Between one and five years	8,529	8,284
More than five years	2,056	839
Total	12,341	10,780

The estimate of interest expenses takes into account the debt position on 30 June 2018.

5.9.9 FINANCIAL ASSETS AND LIABILITIES

Figures are in thousand EUR.

Summary of financial assets and liabilities	30/06/2018	30/06/2018	31/12/2017	31/12/2017
	Carrying amount	Fair Value	Carrying amount	Fair Value
Assets				
Financial fixed assets	1,234	1,234	1,301	1,301
Financial fixed assets	21	21	21	21
Trade receivables and other fixed assets	135	135	135	135
Deferred taxes – assets	2	2	2	2
Participating interests in associated companies and joint ventures	1,076	1,076	1,143	1,143
Financial current assets	20,823	20,823	13,367	13,367
Trade receivables	761	761	1,683	1,683
Tax receivables and other current assets	14,517	14,517	10,869	10,869
Cash and cash equivalents	5,545	5,545	815	815
Total financial assets	22,057	22,057	14,668	14,668
Liabilities				
Non-current financial liabilities	238,420	235,319	252,668	252,668
Non-current financial liabilities	234,684	231,583	251,744	251,744
Financial derivatives	3,736	3,736	924	924
Current financial liabilities	14,753	14,753	18,495	18,495
Current financial liabilities	0	0	11,994	11,994
Trade debts and other current liabilities	11,227	11,227	3,457	3,457
Other current liabilities	3,526	3,526	3,044	3,044
Total financial liabilities	253,173	250,072	271,163	271,163

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

5.9.10 TRANSACTIONS WITH RELATED PARTIES

Figures are in thousand EUR.

	30/06/2018	30/06/2017
Transactions with related parties		
Management fee	405	336
Fee of independent directors	21	37
Total	426	373

Figures are in thousand EUR.

	30/06/2018	31/12/2017
Receivables from the Promoter	1,793	1,781

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

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

On 30 June 2018, Xior Student Housing NV had KEUR 1,793 in receivables from Aloxe, the Company's promoter. These receivables resulted mainly from the provided rental guarantees for certain projects during the IPO.

The property at Tiensestraat 274 / Windmolenveldstraat 2-4, 3000 Leuven, was also acquired from Christian Teunissen. The purchase price was EUR 1,869,000 and corresponds to the independent expert's valuation. This project had already been announced in the context of the Company's IPO, but was not contributed at the time as the license was not yet available. At the time of the IPO, it was therefore not yet considered appropriate to add this project to the initial real estate portfolio. When the license was granted, the property could be added to the portfolio and was transferred to the Company. At the time of the IPO, Christian Teunissen had also undertaken to offer the project for its current Fair Value (as determined by the Company's valuation expert).

No other transactions took place with persons or institutions regarded as direct company stakeholders during the first half of 2018.

5.9.11 EVENTS AFTER THE BALANCE SHEET DATE

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

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

5.9.12 SCOPE OF CONSOLIDATION

The following subsidiaries are part of Xior Student Housing NV's scope of consolidation on 30 June 2018:

Name	Country	Share in the capital
Companies fully included in the consolidation		
Stubis BVBA	Belgium	100%
Project STU – Naritaweg B.V.	The Netherlands	100%
Connect Development B.V.	The Netherlands	100%
Barajasweg 60-70 BV	The Netherlands	100%
Naritaweg 151-161 B.V.	The Netherlands	100%
Joint Venture		
Promiris Student NV	Belgium	50%

5.9.13 DEBT RATIO

Figures are in thousand EUR.

Consolidated debt ratio (max. 65%)	30/06/2018	31/12/2017
Total liabilities	270,342	280,696
Adjustments	-20,905	-10,456
Total debts according to the Royal Decree of 13 July 2014	249,437	270,240
Total assets	635,320	503,987
Adjustments	0	0
Total assets according to the Royal Decree of 13 July 2014	635,320	503,987
Debt ratio (in %)	39.26%	53.62%

5.9.14 OFF-BALANCE SHEET RIGHTS AND OBLIGATIONS

A number of properties were acquired from third parties in the course of 2016, 2017 and 2018. The sellers provided rental guarantees for a number of these properties. The term of these rental guarantees varies from 12 to 24 months starting from the transfer date. More specifically, the company received a rental guarantee for the property on Kronehoefstraat in Eindhoven, Spoorstraat in Venlo, Kwietheuvel in Venlo, Utrecht Willem Dreeslaan in Utrecht, Antonia Veerstraat in Delft, Waldorpstraat in The Hague and Naritaweg/Barajasweg in Amsterdam.

Reference is also made to the press releases of 29 November 2017 and 12 July 2018, which announce the Company's entry into a joint venture agreement regarding a development in Zaventem and the exercise of a purchase option with regard to projects in Utrecht and Amsterdam. Reference is also made to the press release of 7 June 2017 with respect to a development project in Etterbeek. Please also refer to Chapter 5.6.2 of the Annual Report 2017.

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

5.9.15 AUDITOR'S REPORT

STATUTORY AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FIGURES FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2018

Introduction

We have reviewed the condensed consolidated interim figures of Xior Student Housing NV and its subsidiaries as of 30 June 2018, consisting of the condensed consolidated income statement, the statement of other comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in shareholders' equity and the condensed consolidated cash flow statement for the 6-month period then ended, as well as the explanatory notes (together: "condensed consolidated interim figures"). The board of directors of the Statutory Management is responsible for the preparation and presentation of these condensed consolidated interim figures in accordance with IAS 34, as adopted by the European Union and implemented by the Royal Decree of 23 April 2018 "on regulated Real Estate Companies". Our responsibility is to express a conclusion on these condensed consolidated interim figures based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and in applying analytical

and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim figures on 30 June 2018 is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union and implemented by the Royal Decree of 23 April 2018 "on regulated Real Estate Companies".

Sint-Stevens-Woluwe, 17 August 2018

The statutory auditor

PwC Reviseurs d'Entreprises scrl / Bedrijfsrevisoren bcvba

Represented by

Damien Walgrave

Reviseur d'Entreprises / Bedrijfsrevisor

5.9.16 STATEMENT WITH THE HALF-YEARLY FINANCIAL REPORT

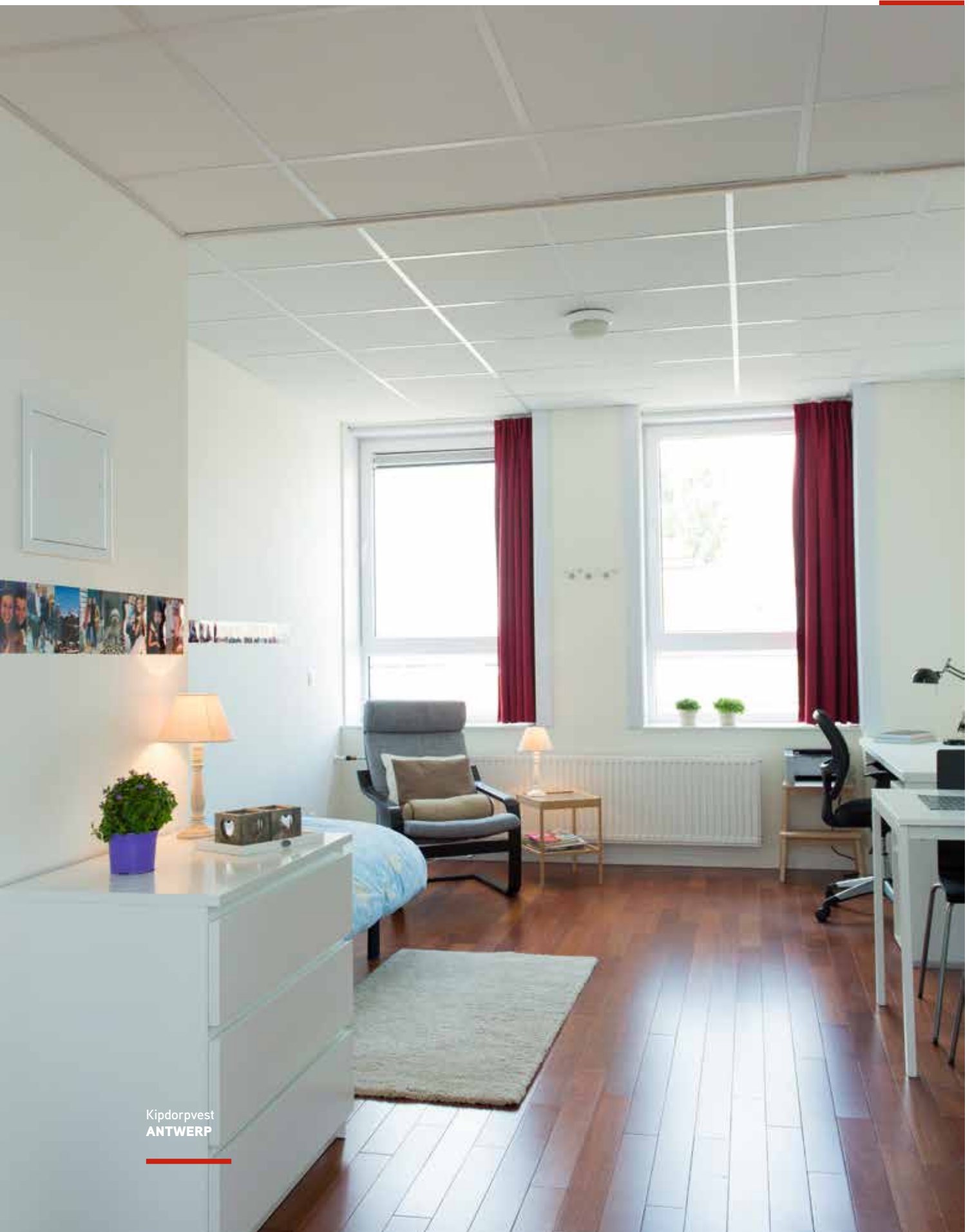
In accordance with Article 13, Section 2, 3° of the Royal Decree of 14 November 2007, the Board of Directors of Xior Student Housing NV¹⁸, states that to its knowledge:

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

5.9.17 FORWARD-LOOKING STATEMENTS

This Half-Yearly Report contains forward-looking information, projections, convictions, opinions and estimates produced by Xior in relation to the expected future performance of Xior and the market in which it operates ('forward-looking statements'). By nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, that appear justified at the time at which they are made but which may or may not turn out to be accurate, and there is a risk that the forward-looking statements will not be realised. Some events are difficult to predict, and may depend on factors outside of Xior's control. In addition, the forward-looking statements are only valid on the date of this Half-Yearly Report. Statements in this press release relating to past trends or activities may not be interpreted as an indication that such trends or activities will persist in future. Neither Xior nor its representatives, officers or advisers can guarantee that the parameters upon which the forward-looking statements are based are free of errors, nor can they indicate, guarantee or predict whether the expected results set out in such a forward-looking statement will ultimately be achieved. Actual profits, the financial situation and Xior's performance or results may therefore differ substantially from the information projected or implied in forward-looking statements. Xior expressly declines any obligation or guarantee to publicly update or review forward-looking statements unless it is required to do so by law.

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



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06

Identity card

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



Kipdorpvest
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Xior Student Housing NV
Public RREC under Belgian law (BE-RREC)
Mechelsesteenweg 34, Box 108, 2018 Antwerp

BE 0547.972.794
Antwerp Register of Legal Entities,
Antwerp section

www.xior.be | info@xior.be | T +32 3 257 04 89

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