

Annual Communiqué Announcement of annual results 11/12/2015 - 31/12/2015

Successful launch for Xior

Antwerp, Belgium – 7 March 2016 – Annual results 11/12/2015 to 31/12/2015

I. SUMMARY

- Xior was successfully floated on the Euronext Brussels stock market on 11 December 2015.
- The results from Xior's first financial year as a public regulated real estate company (RREC) listed on the stock market concern the period from 11 December 2015 to 31 December 2015, covering a total of only 21 days.
 - Net rental result of 563 KEUR
 - Net current result (excluding portfolio result) stands at 14 KEUR
 - Net result for this initial shortened financial year is negative, amounting to -514 KEUR
 - Result per share stands at EUR 0.0031
- The net current result for this first financial year is in line with what was projected in the prospectus.
- Occupation rate: 97.8%
- Valuation of real estate portfolio as at 31 December 2015: 194,753 KEUR
- The debt ratio stands at 46%.
- Following on from what was announced in the IPO prospectus, the first dividend will not be paid out until the first complete financial year closes on 31 December 2016. For the 2016 financial year, Xior is projecting a gross dividend of EUR 1.13 (at a payout ratio of 100%), in line with the projection found in the IPO prospectus.
- NAV per share stands at EUR 23.42
- Xior shall continue to pursue its growth strategy focused on high-quality student housing, and confirms its target debt ratio of 43.6% over 2016 in line with the IPO prospectus. Xior expects an occupation rate similar to the current rate over 2016.

II. KEY FIGURES

Key figures as at 31/12/2015

Result per share (EUR):	0.0031
Net asset value per share (EUR):	23.42
Number of shares	4,626,780
Debt ratio	46%
Occupancy rate	97.8%
Fair value of the portfolio (in thousand EUR)	194,753

III. SUCCESSFUL LAUNCH AS THE FIRST LISTED B-REIT IN THE STUDENT HOUSING SECTOR

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

IV. FINANCIAL RESULTS

1. 2015 Consolidated Annual Accounts

The financial information for the period ending on 31 December 2015 was drawn up in accordance with the International Financial Reporting Standards (IFRS).

The figures published represent consolidated figures; in line with the relevant legislation, associated companies and subsidiaries are consolidated.

2. General

There are few deviations from the figures set out in the prospectus. Any deviations compared to the figures found in the prospectus can be explained as follows:

- When the prospectus was published, there was not yet complete certainty as to the exact listing date, which was also the date on which the various acquisitions took place. The figures were prepared on the basis of an initial financial year of 24 days, although in reality it only amounted to 21 days. This may result in some small discrepancies in the results accounting.
- It was expected that all costs related to the IPO would have been paid off by the closing date; however, this was not the case, and certain invoices were not paid until 2016. This had an impact on the debt ratio, which is slightly higher than predicted, but this is only a temporary situation.
- The prospectus predicted that all of the working capital of the companies to be merged would be settled on the date of the IPO. In fact, this was only the case for the outstanding bank and

shareholder loans. As a result, the impact of the acquired working capital of the merged companies is still visible on the balance sheet at closing.

3. Consolidated profit and loss account

The operating result stands at 14 KEUR, which is lower than the estimated 25 KEUR. This discrepancy is primarily a result of certain costs being slightly overestimated in the prospectus.

Rental revenue is in line with what was projected in the prospectus.

The real estate result stands at 667 KEUR, and is higher than what was projected in the prospectus. This is primarily due to other revenue and expenditure linked to rentals. This item was not included in the prospectus. For the purposes of the prospectus, some of the costs and revenue accumulated by Xior over the course of the first financial year and before the IPO were included under other operating revenue and expenditure. However, some of these costs and revenues are real-estate-related, and were therefore included in the real estate result.

The operational property result stands at 468 KEUR, and is in line with what was projected in the prospectus.

The portfolio result stands at -529 KEUR, and consists of:

- Positive variations in the fair value of real estate investments: this concerns, inter alia, the difference between the fair value and the fiduciary value of the real estate for real estate acquired via real estate acquisitions on the IPO date. This also covers certain changes to the fair value on the basis of the updated estimate of 31 December 2015.
- Negative variations in the fair value of real estate investments: this concerns, inter alia, the difference between the fair value and the fiduciary value of the real estate for real estate acquired via real estate acquisitions on the IPO date. This also covers certain changes to the fair value on the basis of the updated estimate of 31 December 2015.
- Other portfolio result: for real estate acquired via share acquisition and acquisitions/mergers on the date of the IPO, the difference between the fair value and the fiduciary value as well as other sources of discrepancies between the fair value and the fiduciary value of the shares was processed under this item. This item 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 real value of the acquired net assets. This 'other portfolio result' also covers directly attributable transaction costs.

Following on from what was announced in the IPO prospectus, given the fact that the financial year only covered 21 days, no dividends will be paid out for 2015. The net result will be added to the reserves.

4. Consolidated balance sheet

The consolidated real estate portfolio of Xior, including project developments, amounted to 194,753 KEUR on 31 December 2015. This is slightly lower than the 196,054 KEUR projected in the prospectus. This is primarily due to the fact that poor weather conditions in December led to a slight delay in the project developments compared to the time schedule estimated for the prospectus. The valuation as at 30 September 2015 was used as the basis for the prospectus, with an updated estimate carried out on 31 December 2015.

Deferred tax assets include deferrals of Dutch tax losses that can be offset against future profits. In the prospectus, these were presented net with the deferred tax liabilities.

Working capital

The prospectus predicted that all working capital in the companies to be merged would be settled on the date of the IPO. In reality, only the outstanding bank loans and shareholder loans were settled by the date of the IPO.

Current assets include, primarily:

- An amount still to be invoiced in relation to a development project sold by a company acquired by Xior during the IPO.
- Trade account receivables still to be collected (635 KEUR), including rental fees due as well as payments due in relation to the sale of the aforementioned development project.
- VAT to be recovered (666 KEUR).
- Guarantees issued for 466 KEUR for the release of bank guarantees. These will be released over the course of 2016.
- R/C positions that will be settled in 2016 (1,445 KEUR), primarily concerning a receivable from Aloxe. During calculation of the final merger figures, discrepancies arose between the projected figures and the effective figures. Any negative discrepancies were recovered from Aloxe, since it must compensate for the difference between the projected equity value of the company to be merged and the effective equity value on the closing date in cash.

The cash position deviates significantly from that which was projected in the prospectus. This is due to the fact that a number of payments were not made until after the end of the year, or are still outstanding.

Accruals and deferred payments include costs to be transferred primarily in relation to property (67 KEUR) and accrued revenue (90 KEUR).

Short-term debts include, primarily:

- Outstanding supplier debts (6,025 KEUR): these mainly concern costs in relation to ongoing construction work on the Voskenslaan and Brusselsepoortstraat projects in Ghent, as well as certain costs in relation to the IPO that were not paid off until 2016.

- Outstanding exit tax positions as a result of mergers (5,869 KEUR).
- Debts in relation to VAT, corporate taxes and wages, and social security charges (6,194 KEUR).
- Guarantees received on rented properties (981 KEUR).

Accruals and deferred payments primarily include:

- Revenue to be transferred (357 KEUR).
- Costs to be allocated (423 KEUR).

On 31 December 2015, the debt ratio stood at 46%. The debt ratio is calculated as follows: liabilities (excluding provisions, accruals and deferred payments, interest rate hedging instruments and deferred taxes) divided by total assets (excluding interest rate hedging instruments). The debt ratio is slightly higher than the debt ratio projected in the prospectus, which is primarily due to the fact that certain invoices were not paid until 2016 instead of in 2015 as initially envisaged in the prospectus.

V. AUDIT ACTIVITIES

The statutory auditor has confirmed that their audit work, that has been completed in all material aspects, revealed that no material corrections need to be made to the accounting information included in the communiqué.

VI. IMPORTANT EVENTS AFTER CLOSING OF THE FINANCIAL YEAR

On 1 March 2016, the merger was completed through acquisition of Devimmo NV. Through this merger, Xior acquired a property located at Parkstraat 137 in Leuven consisting of 73 units intended for student housing and 30 underground parking spaces. The fair value of the real estate property was estimated at EUR 6,964,900. Following this merger, 230,657 new shares were issued. This merger resulted in a capital increase (including issue premium) of EUR 5,766,425.00, of which the sum of EUR 4,151,826.00 was posted as Capital and the sum of EUR 1,614,599.00 as Issue Premiums.

Otherwise, there have been no significant events since the closing of the financial year which have affected the annual accounts.

In the first quarter of 2016, Xior Student Housing took advantage of the unprecedented low interest rates to hedge its debts against interest rate risk via Interest Rate Swaps for a period of 7 years.

VII. OPERATING ACTIVITIES



Download the app

Xior is constantly striving to improve communication and interaction with students and potential tenants. These efforts include the launch of the very first app specifically developed for the purpose of finding student accommodation. This app, which includes a geolocator, is intended to make finding suitable accommodation easier for students and to facilitate interaction with the students themselves.

VIII. GROWTH PROSPECTS FOR THE 2016 FINANCIAL YEAR

Xior intends to continue pursuing its growth strategy. This involves promoting the growth of the company by adding high-quality student properties to its real estate portfolio whilst protecting the current result and the intrinsic value of the shares.

Acquisitions

As announced in the IPO prospectus, Xior entered into an agreement to perform a merger in 2016 by acquiring CPG CVBA, a company controlled by Xior Student Housing's promoter, Aloxe NV. CPG is the owner of the real estate property located at Vlamingenstraat 91/Parkstraat 11 in Leuven. CPG also owns an apartment located at Ravenshoek 20/203 in Herent; however, this is not a strategic property for Xior. The contribution value will be determined on the basis of the lower fair value amount for the real estate property as estimated by the real estate expert on 30 September 2015, amounting to EUR 3,009,700, and the real value of the real estate property as estimated by the real estate expert within a period of one month prior to the merger date. In order to determine the exchange ratio, the share price of the new shares will be assumed to stand at EUR 25.00. Currently, the merger is expected to take place on 1 August 2016. The new shares issued following the merger will share in the result and will be eligible for profit sharing as of the merger date. Regarding the profit for the 2016 financial year, this will be calculated for the new shares in question *pro rata temporis* from the merger date up to and including the last day of the financial year. On the basis of the estimates performed in connection with the merger agreement, 71,298 new shares will be issued following the merger with CPG CVBA.

Outlook

For the 2016 financial year, Xior is projecting a gross dividend of EUR 1.13 (at a payout ratio of 100%), in line with the projection found in the IPO prospectus. Xior confirms its target debt ratio of 43.6% over 2016 in line with the IPO prospectus.

Xior expects an occupation rate similar to the current rate over 2016.

7 March 2016 – Embargo until 7:00 (CET)

Regulated information

IX. ANNUAL FINANCIAL REPORT – ANNUAL GENERAL MEETING

The annual report will be made available to shareholders on the website www.xior.be as of 18 April 2016 (after stock market closing), and can also be obtained from the company's headquarters upon request (Mechelsesteenweg 34, P.O. Box 108, 2018 Antwerp or via info@xior.be).

The Annual General Meeting of the company will be held on 19 May 2016.

For more information please contact:

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About Xior Student Housing

Xior Student Housing NV is the first Belgian public RREC specialising in the student housing segment in Belgium and the Netherlands. Within this property segment, Xior Student Housing offers a variety of accommodation, ranging from rooms with communal facilities to en-suite rooms and fully-equipped studios. Since 2007, as owner-operator, Xior Student Housing has built high-quality, reliable student housing for students looking for the ideal place to study, live and relax. A place with that little bit extra, where every student will feel at home right away.

Xior Student Housing is accredited as a public RREC under Belgian law since 24 November 2015. Xior Student Housing's shares have been listed on Euronext Brussels (XIOR) since 11 December 2015. On 31 December 2015, Xior Student Housing had a property portfolio worth approximately EUR 195 million. More information is available at www.xior.be.

Xior Student Housing NV, Public RREC under Belgian law (B-REIT)
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Disclaimer

This press release contains forward-looking information, projections, convictions, opinions and estimates produced by Xior in relation to the expected future performance of Xior and of the market in which it is active ('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 press release. 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. This Press Release has been prepared in Dutch and has been translated into English and French. In case of discrepancies between the different versions of this Press Release, the Dutch version will prevail.

CONSOLIDATED OVERVIEW OF THE FINANCIAL POSITION

ASSETS	31/12/2015 (in thousand EUR)
I. FIXED ASSETS	195,392
A. Goodwill	0
B. Intangible fixed assets	0
C. Property investments	194,753
a. Property available to let	157,879
b. Project developments	36,874
D. Other tangible fixed assets	240
a. - Tangible fixed assets for own use	240
E. Financial fixed assets	19
Other	19
F. Financial leasing receivables	0
G. Trade account receivables and other fixed assets	0
H. Deferred taxes – assets	380
II. CURRENT ASSETS	7,939
A. Assets intended for sale	186
c. - Other assets	186
B. Financial current assets	0
C. Financial leasing receivables	0
D. Trade account receivables	635
E. Tax receivables and other current assets	2,577
a. - Taxes	666
c. - Other	1,911
F. Cash and cash equivalents	4,384
G. Accruals and deferred payments	157
Costs to be transferred	8
Accrued rental revenue	90
Other	59
TOTAL ASSETS	203,331

LIABILITIES	31/12/2015 (in thousand EUR)
EQUITY	108,382
A. Capital	76,321
a. - Issued capital	83,282
b. - Capital increase costs (-)	-6,961
B. Issue premiums	25,615
C. Reserves	6,961
Unavailable reserve: reserve for expected losses	6,961
D. Net result for the financial year	-514
LIABILITIES	94,949
I. Non-current liabilities	75,100
A. Equipment	0
B. Non-current financial debts	72,447
a. - Credit institutions	72,447
F. Deferred taxes – liabilities	2,653
a. - Exit tax	2,110
b. - Other	543
II. Current liabilities	19,849
A. Equipment	0
B. Current financial debts	0
C. Other current financial liabilities	0
D. Trade and other current payables	18,088
a. - Exit tax	5,869
b. - Other	12,219
Suppliers	6,025
Taxes, wages and social security contributions	6,194
E. Other current liabilities	981
Other	981
F. Accruals and deferred payments	780
a. - Property revenue received in advance	357
c. Other	423
TOTAL EQUITY AND LIABILITIES	203,331

CONSOLIDATED PROFIT AND LOSS ACCOUNTS

Income statement	31/12/2015 (in thousand EUR)
I. (+) Rental revenue	563
(+) Rental revenue	563
II. (+) Writeback of lease payments sold and discounted	0
III. (+/-) Rental-related expenses	0
NET RENTAL RESULT	563
IV. (+) Recovery of property expenses	0
V. (+) Recovery of rental charges and taxes normally payable by the tenant on let properties	32
- <i>Transmission of rental charges borne by the proprietor</i>	32
VI. (-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at the end of the lease	0
VII. (-) Rental charges and taxes normally payable by the tenant on let properties	-18
- <i>Withholding tax and taxes on let properties</i>	-18
VIII. (+/-) Other rental-related revenue and expenditure	90
PROPERTY RESULT	667
IX. (-) Technical costs	-161
Recurrent technical costs	
(-) Maintenance	-98
(-) Water, electricity, telephone etc.	-40
(-) Insurance premiums	-13
Non-recurrent technical costs	
(-) Damages	-10
X. (-) Commercial costs	-18
(-) Publicity etc.	-18
XI. (-) Costs and taxes for non-let properties	0
XII. (-) Property management costs	-7
(-) Management costs (external)	-7
XIII. (-) Other property costs	-13
(-) Architects' fees	-1
(-) Surveyors' fees	-12
(+/-) PROPERTY EXPENSES	-199
OPERATIONAL PROPERTY RESULT	468
XIV. (-) General company expenses	-291
XV. (+/-) Other operating revenue and costs	-45
OPERATING RESULT FOR THE RESULT ON THE PORTFOLIO	132
XVI. (+/-) Result on the sale of property investments	0
XVII. (+/-) Result on the sale of other non-financial assets	0
XVIII. (+/-) Variations in the fair value of property investments	-149
(+) Positive variations in the fair value of real estate investments	1,293
(-) Negative variations in the fair value of real estate investments	-1,442
XIX. (+) Other portfolio result	-379

7 March 2016 – Embargo until 7:00 (CET)

Regulated information

OPERATING RESULT	-397
XX. (+) Financial income	9
(+) Interest and dividends collected	9
XXI. (-) Net interest costs	-43
(-) Nominal interest paid on loans	-43
XXII. (-) Other financial costs	-20
- Bank costs and other commissions	-16
- Other	-3
XXIII. (+/-) Variations in the fair value of financial assets and liabilities	0
(+/-) FINANCIAL RESULT	-54
PRE-TAX RESULT	-451
XXV. Corporate taxes	-44
XXVI. Exit tax	-20
(+/-) TAXES	-64
NET RESULT	-514
OPERATING RESULT	14
RESULT FOR THE PORTFOLIO	-529
RESULT PER SHARE (in EUR)	0.0031

GLOBAL RESULT

in thousand EUR	31/12/2015 (in thousand EUR)
Operating result, available for payment per share	14
Result for the portfolio	-529
(+/-) Impact on the fair value of the estimated transaction fees and costs resulting from hypothetical disposal of investment properties	0
(+/-) Variations in the fair value of financial assets and liabilities	0
Other elements of the global result	0
GLOBAL RESULT	-514

CONSOLIDATED CASH FLOW OVERVIEW

CONSOLIDATED CASH FLOW OVERVIEW	31/12/2015 (in thousand EUR)
CASH AND CASH EQUIVALENTS AT THE START OF THE FINANCIAL YEAR	0
1. Cash flow from operating activities	-10,722
Net profit for the financial year:	-395
Operating result	-397
Interest paid	-7
Interest received	9
Non-cash elements added to/subtracted from the result	589
* <u>Amortisations and depreciations</u>	
- Amortisations/depreciations (or writebacks) on tangible and intangible assets	60
* <u>Other non-cash elements</u>	529
- Variations in the fair value of property investments	529
Variation in working capital requirements:	-10,916
* <u>Movement of assets:</u>	4,459
* <u>Movement of liabilities:</u>	-15,375
2. Cash flow from investment activities	-34,013
Acquisition of property investments and project developments	-21,095
Sale of property investments	0
Purchase of shares in real estate companies	-12,501
Sale of shares in real estate companies	0
Acquisition of other tangible assets	-240
Acquisition of non-current financial fixed assets	-5
Receivables on trade and other non-current assets	0
Assets intended for sale	-173
3. Cash flow from financing activities	49,054
* <u>Change in financial liabilities and financial debts</u>	
- Increase in financial debts	72,447
- Decrease in financial debts	-96,730
- Repayment of shareholder loans	-5,278
* <u>Change in equity</u>	
- Increase (+)/decrease (-) in capital/issue premiums	85,575
Costs resulting from hypothetical disposal of investment properties	0
- Other	0
- Costs for the issue of shares	-6,961
Increase in cash following merger	66
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4,384