

Annual Communiqué – Announcement of 2017 annual results

EPS of EUR 1.43 exceeds the target

Xior continues growth with portfolio (incl. pipeline) exceeding EUR 540 million

Antwerp, Belgium – 9 February 2018 – Annual results 1/1/2017 – 31/12/2017

EPRA earnings of EUR 1.43 per share¹, 22% increase since 31 December 2016 despite that the number of outstanding shares increased by 54%

Proposed dividend of EUR 1.20 per share, i.e. a 4.35% increase with an 84% payout ratio

EPRA earnings of KEUR 9,772 KEUR in 2017 – a 69% increase compared with 2016

Net rental result increases to KEUR 18,194, i.e. a 67% increase compared with KEUR 10,912 in 2016

Net result (IFRS) of KEUR 10,954 or EUR 1.60 per share in 2017, i.e. a 118% increase compared with KEUR 5,016 in 2016

Net asset value per share² (IFRS) of EUR 27.47 compared with EUR 24.97 on 31 December 2016

Debt ratio of 53.62% compared with 50.69% on 31 December 2016. After the successful implementation of the EUR 84 million capital increase in June 2017, the debt ratio on 30 June 2017 fell to 39.17%. The debt ratio again rose to 53.62% on 31 December 2017 as a result of the acquisitions in the third and fourth quarter.

Occupancy rate rises to 97.9% compared with 97.4% in 2016

The property portfolio rose to EUR 489 million, which is an increase of 84% compared with 31 December 2016, with 3,678 lettable student units. If all acquisitions and redevelopments in the committed pipeline are completed, the portfolio will increase to approximately EUR 540 million with more than 5,200 lettable student units.

Inclusion in EPRA Index and Bel MID

	IPO 2015	31/12/2016	31/12/2017	Incl. comm. pipeline
# student units	2,035	2,531	3,678 (excl. projects)	5,244
Fair value (incl. non-students)	Approximately EUR 200 million	Approximately EUR 265 million	Approximately EUR 493 million	> EUR 540 million
Buildings (incl. non-students)	48	54	71 (incl. projects)	72
# cities	4 (BE) + 4 (NL)	5 (BE) + 5 (NL)	5 (BE) + 12 (NL)	5 (BE) + 12 (NL)

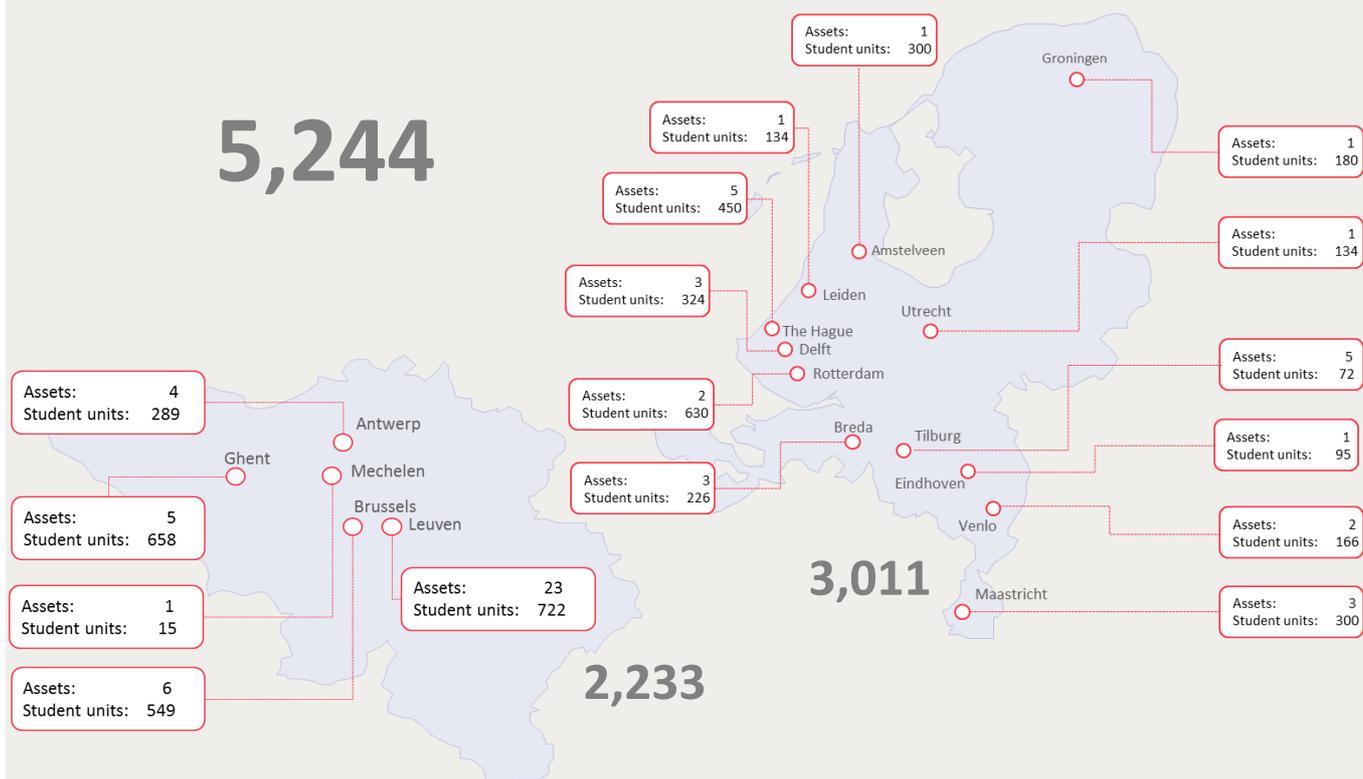
¹ Figures per share are calculated on the basis of the weighted average number of shares, unless stated otherwise.

² Based on the number of outstanding shares.

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Regulated information

STUDENT PROPERTY PORTFOLIO OVERVIEW (INCL. COMM. PIPELINE)



I. KEY FIGURES

Consolidated profit and loss statement	in KEUR	31/12/2017	31/12/2016
Net rental result		18.194	10.912
Real estate result		18.533	11.349
Operating result before result on the portfolio		13.245	7.580
Financial result (excl. variations in the fair value of financial assets and liabilities)		-2.692	-1.598
EPRA earnings ³		9.772	5.774
Result on the portfolio (IAS 40)		1.722	1.108
Revaluation of financial instruments (ineffective interest rate hedges)		942	-1.866
Net result (IFRS)		10.954	5.016

³ Alternative performance measures (APMs) are measures Xior Student Housing NV uses to measure and monitor its operational performance. The European Securities and Markets Authority (ESMA) issued guidelines for the use and explanation of alternative performance measures, which came into effect on 3 July 2016. Chapter 10.8 of the Annual Financial Report 2016 includes the concepts Xior considers as APMs. The APMs are marked with  and accompanied by a definition, objective and reconciliation (see X and XI of this Annual Communiqué), as required by the ESMA guideline.

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Number of lettable student units		3.678	2.531
Gross yields⁴		2017	2016
Belgium		5,15%	5,17%
The Netherlands		6,19%	6,54%
Entire portfolio		5,68%	5,58%
Consolidated balance sheet	in KEUR	31/12/2017	31/12/2016
Equity		223.291	131.630
Fair value of the real estate property ⁵		488.762	265.873
Debt ratio (Law on Regulated Real Estate Companies) ⁶		53,62%	50,69%
Key figures per share	in EUR	31/12/2017	31/12/2016
Number of shares		8,128,249	5,270,501
Weighted average number of shares		6,851,483	4,926,405
EPRA earnings ⁷ per share 		1.43	1.17
Result on the portfolio (IAS 40) 		0.25	0.22
Revaluation of hedging instruments		0.14	-0.38
Net result per share (IFRS) ⁸		1.60	1.02
Closing price of the share		38.99	35.67
Net asset value per share (IFRS) (before dividend)		27.47	24.97
Dividend Payout Ratio (versus EPRA earnings) ⁹		84%	98.3%
Proposed dividend per share ¹⁰		1.20	1.15

⁴ Calculated as estimated annual rent divided by the Fair Value and excluding development projects.

⁵ The Fair Value of the investment property is the investment value as determined by an independent property expert less the transaction fees (cf. BE-REIT Association press release dated 10 November 2016). The Fair Value corresponds to the carrying amount under IFRS.

⁶ Calculated in accordance with the Royal Decree of 13 July 2014 pursuant to the Law of 12 May 2014 on Regulated Real Estate Companies.

⁷ Calculated on the basis of the weighted average number of shares.

⁸ Based on the number of shares.

⁹ The dividend pay out ratio is calculated based on the consolidated result. The actual dividend distribution is based on the standalone result of Xior Student Housing NV.

¹⁰ Subject to approval by the Annual General Meeting.

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EPRA metrics	Definition	31/12/2017		31/12/2016	
		in KEUR	EUR per share	in KEUR	EUR per share
<i>EPRA earnings *</i>	Underlying result derived from the strategic operating activities. This indicates the extent to which dividend payments are supported by the earnings.	9,772	1.43	5,774	1.17
<i>EPRA NAV *</i>	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.	224,215	27.58	133,496	25.33
<i>EPRA NNAV *</i>	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.	223,291	27.47	131,630	24.97
			%		%
<i>EPRA Net Initial Yield (NIY)</i>	Annualised gross rental income based on the current rent on the closing date excluding the property charges divided by the portfolio market value plus the estimated transaction rights and costs in case of hypothetical disposal of investment property.		5.2%		
<i>EPRA Adjusted Net Initial Yield (Adjusted NIY)</i>	This measure integrates an adjustment of the EPRA NIY for the end of rent-free periods or other non-expired rental incentives.		5.2%		
<i>EPRA rental vacancy</i>	Estimated rental value of vacant units divided by the estimated rental value of the total portfolio.		2%		
<i>EPRA cost ratio (incl. vacancy costs) *</i>	EPRA costs (including vacancy costs) divided by the gross rental income.		29.8%		35.5%
<i>EPRA cost ratio (excl. vacancy costs) *</i>	EPRA costs (excluding vacancy costs) divided by the gross rental income.		29.0%		35.5%

II. CONSOLIDATED FINANCIAL RESULTS

The financial information for the period ending on 31 December 2017 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.

1. Net rental result

In 2017, Xior achieved a net rental result of KEUR 18,194: KEUR 3,509 in Q1, KEUR 3,878 in Q2, KEUR 4,787 in Q3 and KEUR 6,020 in Q4. This net rental result will continue to increase in 2018, as certain buildings were finalised or acquired in the course of 2017 and therefore did not have the opportunity to contribute

to the net rental income for a full year. A number of properties were also under construction or being refurbished. These only started to contribute to the rental income from October 2017.

This mainly relates to the following properties:

- The Amstelveen project: generates rental income from April 2017 as a result of the rental of existing office space. Additional rental income will be generated by this property after redevelopment;
- Burgwal Project (The Hague) and Bokelweg Project (Rotterdam): rental income since June 2017 – These properties will generate additional rental income after redevelopment;
- The Safe and The Bank, Venlo: rental income since July 2017;
- The Hive, Utrecht: rental income since July 2017;
- Antonia Veerstraat, Delft and Waldorpstraat, The Hague: rental income since September 2017;
- KVS I & KVS II, Ladderstraat Brussels: rental income since September 2017;
- Woudestein campus, Rotterdam: rental income since September 2017;
- Bondgenotenlaan, Leuven: rental income since October 2017 (fully rented after complete transformation from 4 to 18 units);
- Arendstraat, Leuven: rental income since October 2017 (fully rented after renovation);
- Tramsingel 21, Breda: rental income since mid-October 2017;
- Verbeekstraat campus, Leiden: rental income since December 2017.

The average occupancy rate for the property portfolio was 97.94% in 2017.

2. EPRA earnings

The EPRA earnings  (excluding the portfolio result, excluding the impact of deferred taxes with regard to IAS 40 adjustments and excluding the impact of the variation in fair value of the financial assets and liabilities) amount to KEUR 9,772 compared with KEUR 5,774 in 2016.

The EPRA earnings  per share¹¹ were EUR 1.43.

Based on this, the Board of Directors intends to propose to the Annual General Meeting a gross dividend of EUR 1.20, or EUR 0.84 net per share for 2017¹² (taking into account the dividend entitlements of the shares and the coupons detached from them), represented by coupon number 4 worth EUR 0.565 already detached from the Xior share¹³ and coupon number 5 worth EUR 0.635.

¹¹ The calculation of the EPRA earnings per share is based on the weighted average number of shares as at 31 December 2017, which is 6,851,483.

¹² Taking account of a withholding tax of 30%.

¹³ Based on the weighted average number of shares and therefore taking account of dividend entitlements for the shares issued in connection with the capital increase of June 2017. Also bear in mind that a coupon detachment took place in connection with the capital increase of June 2017. All Xior shares are currently listed with the attached coupon numbers 5 et seq. See also the press

3. Net result

The net result stands at KEUR 10,954 as at 31 December 2017. The net result per share stands at EUR 1.60.¹⁴

The net result includes the impact of variations in the fair value of investment property, other portfolio results, deferred taxes with regard to the effects of IAS 40, variations in the fair value of financial assets and liabilities and the share in the result of joint ventures. The EPRA earnings  are the net result corrected for the impacts set out above.

4. Fair value of the property portfolio

On 31 December 2017, the portfolio consisted of 3,678 lettable student units. The total property portfolio is valued at KEUR 488,762 on 31 December 2017, representing an 84% increase compared with 31 December 2016. This increase is mainly the result of the acquisition of the student property located at Barbarasteeg in Delft, the student property located in Brussels (KVS I & KVS II), the acquisition of office buildings to be converted in Amstelveen, The Hague (Burgwal project), Rotterdam (project Bokelweg) and Delft (Phoenixstraat), the acquisition of student properties in Utrecht (The Hive), Venlo (The Safe & The Bank), Delft (Antonia Veerstraat), The Hague (Waldorpstraat), Rotterdam (Campus Woudestein), Breda (Tramsingel 21) and Leiden (Campus Verbeekstraat) and the acquisition of a building under construction in Groningen (Oosterhamrikkade).

If all committed acquisitions and projects are implemented, this increase will go up to approx. EUR 540 million, with more than 5,200 lettable student units.

5. Debt ratio and increase in equity

On 31 December 2017, the debt ratio was 53.62% compared with 50.69% on 31 December 2016. On 30 June 2017, the debt ratio had fallen to 39.17% as a result of the successful capital increase. As Xior was again able to strengthen its growth strategy in the second half of 2017, the debt ratio increased further following the acquisitions in the second half of 2017, which were partly financed with borrowed capital (and with the proceeds from the capital increase).

6. Other balance sheet items

Current assets include, primarily:

- Amount to be recovered (KEUR 1,683): this primarily includes rent to be received;

releases published in the context of the capital increase. More information is also available on <https://www.xior.be/en/investor/investor-relations/coupons>.

¹⁴ Calculated on the basis of the weighted average number of shares.

- Other receivables: this mainly concerns receivables from Aloxe NV (KEUR 1,781 – which is paid at the market interest rate), receivables from Promiris Student NV, the joint venture company with which the project in Etterbeek is developed (KEUR 7,973) and receivables related to rental guarantees yet to be settled with the sellers for a number of 2017 acquisitions.

The long-term debt stands at KEUR 251,744 compared with KEUR 131,315 on 31 December 2016. This increase is a result of the implementation of Xior's growth strategy in 2017, which was partially financed using loans.

Other long-term liabilities (KEUR 924) concern the negative market value of the IRS contracts on the balance sheet date.

The short-term financial debts stand at KEUR 11,994 and are related to a loan that has to be refinanced by the end of 2018.

Other short-term debts include, primarily:

- Outstanding supplier debts (KEUR 2,151): these primarily include certain supplier positions relating to projects executed in 2017;
- Other (KEUR 916): these primarily concern provisions for Dutch taxes for the permanent structure and for the merged subsidiaries (KEUR 627), payable VAT (KEUR 135) and social debts (KEUR 106);
- Guarantees received on rented properties (KEUR 2,379).

III. FINANCING

On 31 December 2017, the Company had concluded financing agreements with ING Belgium SA/NV, Belfius Bank SA/NV, KBC Bank SA/NV, BNP Paribas Fortis SA/NV and Argenta Spaarbank NV. ING Belgium SA/NV provided a total of EUR 78 million, Belfius Bank SA/NV EUR 70 million, KBC Bank SA/NV EUR 45 million, BNP Paribas Fortis SA/NV EUR 50 million and Argenta Spaarbank NV EUR 25 million. On 31 December 2017, the Company had drawn down EUR 264 million in financing.

The Company aims to stagger the loan maturities with an average maturity of 3.48 years as at 31 December 2017.

The Company also has IRS contracts totalling EUR 193 million as at 31 December 2017. As at 31 December 2017, 73.11% of the credit drawn down was hedged via IRS contracts.

The average financing cost  in 2017 was 1.76% (2016: 2.05%).

IV. KEY COMPLETED PROJECTS 2017

- Optimisation of the internal group structure

In December 2017, the Company further optimised its internal group structure through intra-group mergers of eleven subsidiaries. These mergers have led to operational and administrative simplifications and will help to achieve synergies within Xior. As the activities of the subsidiaries in question fell within the sphere of Xior's activities, and given that these companies did not have their own staff, retaining these separate legal entities did not generate any economic advantages.

- Joint venture agreement for Promiris Student (Etterbeek)

In the first half of 2017, Xior entered into a joint venture (in cooperation with a private developer) for a development project in Etterbeek, Belgium to create 118 units for approximately EUR 6.3 million. The total investment value (after reconversion) will be approximately EUR 11.7 million (assuming that 100% ownership of the real estate company is obtained) and the project has an expected initial return of approximately 6%. The existing property on Oudergemlaan in Etterbeek will be converted into a complex of 118 independent studios and six parking spaces based on a design by architectural firm Jaspers-Eyers. This student property is expected to be operational in the academic year starting in September 2018. The Company was granted a one-year rental guarantee for 50% of the rental income. In the autumn of 2017, the building permit for the reconversion of this property was obtained and Xior became a shareholder in the project company, in which it holds 50% of the shares.

- Acquisition of 134 independent student units in Leiden (Campus Verbeekstraat)

On 30 November 2017, Xior acquired student complex Verbeekstraat Campus consisting of 134 self-contained furnished units on Verbeekstraat and Plesmanlaan in Leiden. The land has been allocated under a perpetual ground lease acquired until 2057. The site was renovated and converted into student facilities in 2016 and is fully leased. The student complex has two common roof terraces, a common room, washing and drying facilities and two bicycle areas that can be locked. It has 107 parking spaces and 42 external storage areas. The overall investment value of the building in question is approximately EUR 12.7 million, with an expected initial yield of approximately 6.3%. The seller provides a rental guarantee for the student units for a period of one year.

- Sale of a retail property in Leuven

On 30 November 2017, the retail property located at Diestsestraat 143, Leuven was sold. The agreed sale price of this property was EUR 1.35 million and the capital gains achieved on this sale were KEUR

31. The divestment of this non-strategic retail property is fully in line with the pure player strategy of Xior, which is focused on student housing in its geographic core markets.

- Acquisition of 60 independent student units in Breda

On 27 October 2017, Xior acquired a student complex at Tramsingel 21, Breda. The complex consists of 60 student units that are not self-contained and also has communal areas. This transaction has an expected initial yield of approximately 7.2% and a total investment value of approximately EUR 3.8 million. This student property is located in between Xior's other properties in Breda and within walking distance of the centre, which ensures further property management optimisation in Breda. The units are not self-contained and therefore complement the existing self-contained units perfectly.

- Acquisition of a new build project in Groningen

On 13 October 2017, Xior acquired a brand new student complex under construction on Oosterhamrikkade in Groningen. The complex consists of 180 independent student units with an average surface area of 31.8 m² and communal areas such as indoor bicycle parking facilities and a common outdoor space. The project was acquired through the purchase of 100% of the shares in the real estate company involved. This transaction has an expected initial yield of approximately 6.5% and a total investment value after completion of approximately EUR 20 million. The building is expected to enter into operation as of April 2018. Pending the planned completion, Xior will be provided a return guarantee by the seller valued at EUR 650,000, whereby this project will already generate income from the moment of acquisition.

- Acquisition of a student complex in Rotterdam (Campus Woudestein)

On 5 September 2017, Xior acquired a student complex in Rotterdam (Woudestein Campus near Erasmus University) with an investment value of approximately EUR 30 million and an initial return of approximately 5.8%. The building consists of 280 independent student units between 20 m² and 39 m² on eight floors as well as common areas such as a bicycle area and roof terrace. The property is in a prime location near Erasmus University Rotterdam in this bustling city. Xior acquired the property by buying 100% of the shares in the relevant real estate companies. The building was fully let in a record time of less than 48 hours before it was even completed to students of more than 50 nationalities in close cooperation with Erasmus University Rotterdam and the Rotterdam School of Management.

- Acquisition of 190 student rooms in Delft and The Hague

On 31 August 2017, Xior acquired the shares in the real estate companies owning a total of 190 student units in The Hague (72 units) and Delft (118 units) in the Netherlands with a total investment

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value of approximately EUR 25.9 million and an initial return of approximately 5.9%. The property in The Hague is on Waldorpstraat and has 72 independent studios. The property in Delft was built on Antonia Veerstraat and consists of 118 units. It is part new construction and part redevelopment. The Company was granted a one-year rental guarantee for 100% of the rental income¹⁵.

- Acquisition of an office property to be redeveloped in Delft (Phoenix) – approximately 100 units

On 19 July 2017, Xior acquired an office property for redevelopment from the local council of Delft located at Phoenixstraat 16, Delft in order to develop around 100 units with a total investment value (after conversion) of approximately EUR 8.6 million. This post-modernist building was designed by the well-known architect Jo Coenen and is characterised by the atrium structure of the circular 'drum' running all the way down to the ground floor. This property is situated in a premium location in Delft at only a stone's throw from the student property on Barbarasteeg near Delft station in an area currently undergoing extensive redevelopment. The Company expects an initial return of 6.5% once irrevocable planning permission has been obtained and the planned redevelopment has been completed. The Company expects this building to be operational from September 2019.

- The acquisition of three properties in Utrecht and Venlo – 300 units

On 7 July 2017, Xior acquired the shares in three real estate companies (Utrecht Willem Dreeslaan B.V., De Keulse Poort B.V. and The Safe B.V.), which own one recently renovated property in Utrecht and two properties in Venlo respectively. The total conventional value of the underlying real estate is approximately EUR 27.5 million and the total average initial return is approximately 6.8%. The transferor provides a rental guarantee for a period of two years.

The property near various educational institutions in Utrecht is called 'The Hive'. It has 134 non-independent units and therefore complements the Company's independent units in the portfolio mix.

The acquisition in Utrecht also involves a student property called 'The Bank' of 110 independent units in the centre of Venlo near the station. The ground floor is rented out to a financial institution. Xior used the momentum of this purchase to optimise this transaction immediately by acquiring a second rented property in the centre of Venlo called 'The Safe', which allows Xior to achieve a sufficient presence in this city. This property consists of 56 independent units and a commercial ground floor, also partly rented out to a financial institution.

- Acquisition of office complexes to be converted in Rotterdam and The Hague

On 31 May 2017, Xior acquired two office complexes to be converted on Heer Bokelweg in Rotterdam and on Lutherse Burgwal in The Hague. This transaction has an expected initial return of approximately 7% after reconversion and will result in about 500 extra units with a total investment value of approximately EUR 67.4 million after reconversion once the permit has been obtained and

¹⁵ See Press Releases dated 20 April 2016 and 2 June 2016.

the planned redevelopment has been completed. Both buildings are expected to be operational from September 2019. Some of the buildings in Rotterdam and The Hague will continue to be rented for some time to come. They have already been generating a total income of around EUR 2.11 million on an annual basis since the acquisition date. Xior acquired the property in question on the site by first buying 55% of the shares in the relevant real estate companies (Bokelweg B.V and Burgwal B.V.) and then by purchasing the other 45% of the shares in both real estate companies by exercising the call option it had been granted on 30 June 2017.

The property in Rotterdam is located on Heer Bokelweg, 200 m from the central station in the centre of this student city. The Company plans to develop about 350 units in this property as the perfect complement to the Campus Woudestein student complex (Erasmus University). Completion is planned in September 2019.

The property in The Hague is located on Lutherse Burgwal, which is the road connecting the Company's existing properties on Eisenhowerlaan and Waldorpstraat. Xior plans to develop 182 units on this property, which will increase the total number of units in this student city to 450.

- Acquisition of an office complex in Amstelveen that is to be converted

On 6 April 2017, Xior acquired an office complex development project¹⁶, which the Company intends to convert after it has obtained the required permits. Xior acquired these properties by buying 100% of the shares in the relevant real estate company Amstelveen Keesomlaan 6-10 B.V. After the proposed redevelopment, the property will provide approximately 300 student units with a total investment value of approximately EUR 30 million. Part of the office complex will continue to be rented for some time to come, which has generated approximately KEUR 350 in income since the acquisition date. The complex is situated next to the Uilenstede student campus, has direct public transport connections to the centre of Amsterdam and is within cycling distance of Vrije Universiteit Amsterdam.

- Acquisition of 69 student units in Brussels via contribution in kind (KVS I & KVS II)

Xior acquired a student complex¹⁷ consisting of two buildings opposite each other on Ladderstraat in Brussels. The land and structures already erected at the time were entered by means of a contribution in kind to Xior's capital on 17 January 2017. The value of the contribution was based on the value of the land and the structures already completed (at the time) and resulted in a capital increase of EUR 5,064,067 (including issue premium). This acquisition has a total investment value of approximately EUR 8.1 million (once the works have been completed). A number of units were taken into use in September 2017.

¹⁶ See Press Release dated 7 April 2017.

¹⁷ See Press Releases dated 9 June 2016 and 17 January 2017

- Acquisition of 108 independent student units in Delft

On 5 January 2017, Xior acquired a student property¹⁸ consisting of 108 brand-new, independent, furnished student units in one of the fastest-growing student cities in the Netherlands. This acquisition has a total investment value of approximately EUR 13.5 million. The property is situated in a premium location in the centre of Delft, near the station and close to Delft University of Technology.

V. INCLUSION IN EPRA INDEX AND BEL MID INDEX

In 2017, Xior shares moved from the BEL Small to the BEL Mid index of Euronext Brussels. Xior was also included in the EPRA Index on 18 September 2017. This makes Xior the first fully dedicated student housing REIT in continental Europe included in the index. The EPRA stock market index is used worldwide as a benchmark for the performance of listed real estate companies.

Xior's inclusion in the EPRA Index contributes to the share's visibility, promotes liquidity and draws attention to the XIOR shares.

VI. COMMITTED ACQUISITIONS IN THE PIPELINE

- Joint venture agreement for Brussel 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 Xior already collaborated with previously. This will allow Xior to strengthen its position in the Brussels region, where new quality student housing is still in high demand.

The total investment value (after reconversion) will be approximately EUR 36 million and the project has an expected average initial return 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. Retail activities (such as a neighbourhood supermarket, a sushi bar, a laundry service and a trendy restaurant) are planned on the ground floor. A third-party investor will redevelop these together with the underground car park.

¹⁸ See Press Releases dated 5 August 2016 and 5 January 2017.

This student property is expected to be operational in 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 hotel and also received a partial one-year rental guarantee for the student units.

VII. GROWTH PROSPECTS¹⁹

Xior is very driven to continue to pursue its growth strategy in 2018 by adding high-quality student properties to its property portfolio and by the further execution of the development pipeline.

For the 2018 financial year, the Company is anticipating EPRA earnings per share that will at least remain stable compared with 2017. It is also applying the same minimum target for the gross dividend per share of EUR 1.20. Xior is expecting to match last year's results at least, while its number of shares have increased by 54% following the successful capital increase in June 2017. This capital increase is one of the reasons why Xior managed to achieve a strong project development pipeline, which will start to contribute fully to the return and the intended further growth of the portfolio, EPRA earnings and dividend in the course of 2019.

Xior expects the debt ratio to be around 55% as a result of the further implementation of the growth strategy.

In 2018, Xior is expecting an occupation rate similar to the current rate.

VIII. AUDIT ACTIVITIES

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

IX. ANNUAL FINANCIAL REPORT – ANNUAL GENERAL MEETING

The annual report will be made available to the shareholders (when the stock markets have closed) on the website www.xior.be on 17 April 2018 and can also be requested from the company's headquarters at Mechelsesteenweg 34, Box 108, 2018 Antwerp, Belgium or info@xior.be.

The Company's Annual General Meeting will be held on 17 May 2018.

¹⁹ These forecasts are based on the current situation and do not account for unforeseen circumstances (such as a deterioration of the economic and financial climate and/or the materialisation of risks to which the Company and its activities are exposed). Forecasts regarding dividends are subject to approval by the Annual General Meeting.

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X. FINANCIAL CALENDAR

Publication of the Annual Financial Report	17 April 2018
Announcement of the results on 31 March 2018	4 May 2018
Annual General Meeting	17 May 2018
Announcement of the results on 30 June 2018	20 August 2018
Announcement of the results on 30 September 2018	26 October 2018

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XI. FINANCIAL OVERVIEWS

CONSOLIDATED OVERVIEW OF THE FINANCIAL POSITION

ASSETS (in KEUR)	31/12/2017	31/12/2016
I. FIXED ASSETS	490,425	266,276
B. Intangible fixed assets	16	
C. Investment property	488,762	265,873
a. Property available to let	461,905	265,873
b. Property developments	26,857	0
D. Other tangible fixed assets	347	248
a. Tangible fixed assets for own use	347	248
E. Financial fixed assets	21	21
Other	21	21
G. Trade account receivables and other fixed assets	135	135
H. Deferred taxes – assets	2	
I. Participating interests in associated companies and joint ventures with equity movements	1,143	
II. CURRENT ASSETS	13,562	7,231
D. Trade account receivables	1,683	542
E. Tax receivables and other current assets	10,869	2,051
a. Taxes	778	172
c. Other	10,091	1,879
F. Cash and cash equivalents	815	4,098
G. Accruals and deferred payments	195	540
Prepaid property charges	94	430
Accrued rental income not due	36	
Other	65	110
TOTAL ASSETS	503,987	273,507

LIABILITIES (in KEUR)	31/12/2017	31/12/2016
EQUITY	223,291	131,630
I. Equity attributable to parent company shareholders	223,291	131,630
A. Capital	144,187	94,869
a. Issued capital	146,308	94,869
b. Capital increase costs (-)	-2,121	0
B. Issue premiums	69,877	32,261

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C. Reserves	-1,728	-515
Reserve for the balance of the variations in the fair value of property	6,668	4,044
Reserve for the impact on the fair value of the estimated transaction fees and costs resulting from the hypothetical disposal of investment property	-6,642	-4,565
Reserve for the balance of the changes in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in the IFRS	-1,866	
Retained earnings over from previous financial years	113	6
D. Net result for the financial year	10,954	5,016
II. Minority interests	0	0
LIABILITIES	280,696	141,877
I. Non-current liabilities	259,657	133,465
B. Non-current financial debts	251,744	131,315
a. Credit institutions	251,744	131,315
C. Other non-current financial liabilities	924	1,866
a. Permitted hedging instruments	924	1,866
F. Deferred taxes – liabilities	6,988	284
b. Other	6,988	284
II. Current liabilities	21,040	8,412
B. Current financial debts	11,994	
a. Credit institutions	11,994	
D. Trade debts and other current payables	3,457	5,729
a. Exit tax	0	3,469
b. Other	3,457	2,260
Suppliers	2,151	1,244
Tenants	387	0
Taxes, wages and social security contributions	919	1,016
E. Other current liabilities	3,044	1,583
Other	3,044	1,583
F. Accruals and deferred payments	2,544	1,100
a. Property income received in advance	1,435	512
b. Accrued interest not due	237	
c. Other	871	588
TOTAL EQUITY AND LIABILITIES	503,987	273,507

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Profit and loss statement (in KEUR)	31/12/2017	31/12/2016
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I. (+) Rental Income	18,285	10,969
(+) Rental income	17,544	9,949
(+) Rental guarantees	807	1,035
(-) Rent reductions	-66	-15
Impairment of trade receivables	-91	-57
NET RENTAL INCOME	18,194	10,912
V. (+) Recovery of rental charges and taxes normally payable by the tenant on let properties	2,693	1,460
- Transmission of rental charges borne by the owner	2,594	1,334
- Charges for withholding tax and taxes on let properties	99	126
VII. (-) Rental charges and taxes normally payable by the tenant on let properties	-3,047	-1,457
- Rental charges borne by the proprietor	-2,956	-1,326
- Advance levies and taxes on let properties	-92	-131
VIII. (+/-) Other rental-related income and expenditure	694	434
REAL ESTATE RESULT	18,533	11,349
IX. (-) Technical costs	-987	-688
Recurring technical costs	-985	-687
(-) Maintenance	-878	-608
(-) Insurance premiums	-107	-79
Non-recurring technical costs	-2	-1
(-) Damages	-2	-1
X. (-) Commercial costs	-210	-216
(-) Publicity, etc.	-200	-216
(-) Lawyers' fees and legal costs	-10	
XI. (-) Costs and taxes for non-let properties	-148	
XII. (-) Property management costs	-1,194	-607
(-) Management costs (external)	-674	-235
(-) Management costs (internal)	-520	-373
XIII. (-) Other property charges	-756	-470
(-) Architects' fees	-1	0
(-) Valuation expert fees	-154	-112
(-) Other property charges	-600	-358
(+/-) PROPERTY CHARGES	-3,295	-1,981
PROPERTY OPERATING RESULT	15,238	9,368
XIV. (-) General company expenses	-2,068	-1,859
XV. (+/-) Other operating income and costs	75	71
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	13,245	7,580
XVI. (+/-) Result on the sale of investment property	31	106
XVII. (+/-) Result on the sale of other non-financial assets	0	0
XVIII. (+/-) Variations in the fair value of investment property	3,803	1,112
(+) Positive variations in the fair value of investment property	5,333	3,319
(-) Negative variations in the fair value of investment property	-1,530	-2,207

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XIX. (+) Other portfolio result	-2,112	-110
OPERATING RESULT	14,966	8,688
XX. (+) Financial income	48	23
(+) Interest and dividends collected	48	23
XXI. (-) Net interest costs	-2,665	-1,389
(-) Nominal interest paid on loans	-1,811	-957
(-) Reconstitution of the nominal amount of financial debt	-86	-58
(-) Costs of permitted hedging instruments	-770	-373
XXII. (-) Other financial costs	-74	-232
- Bank costs and other commissions	-47	-212
- Other	-27	-20
XXIII. (+/-) Variations in the fair value of financial assets and liabilities	942	-1,866
(+/-) FINANCIAL RESULT	-1,750	-3,464
XXIV Share in the result of associated companies and joint ventures	194	
RESULT BEFORE TAXES	13,410	5,225
XXV. Corporate taxes	-2,457	-220
XXVI. Exit tax	1	11
(+/-) TAXES	-2,456	-209
NET RESULT	10,954	5,016
EPRA EARNINGS	9,772	5,774
RESULT ON THE PORTFOLIO	1,722	1,108
DEFERRED TAXES WITH REGARD TO IAS 40 ADJUSTMENTS	-1,674	0
VARIATIONS IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	942	-1,866
SHARE IN THE RESULT OF JOINT VENTURES	194	
EPRA EARNINGS  PER SHARE (in EUR)	1.43	1.17

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

In KEUR	31/12/2017	31/12/2016
Net result	10,954	5,016
Other components of the comprehensive income		
(+/-) Impact on the Fair Value of the estimated transaction fees and costs resulting from hypothetical disposal of investment properties	0	0
(+/-) Variations in the effective part of the Fair Value of permitted cash flow hedging instruments	0	0
GLOBAL RESULT	10,954	5,016
Attributable to:		
Minority interests	0	0
Group shareholders	10,954	5,016

Consolidated cash flow overview

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Regulated information

CONSOLIDATED CASH FLOW OVERVIEW (in KEUR)	31/12/2017	31/12/2016
CASH AND CASH EQUIVALENTS AT THE START OF THE FINANCIAL YEAR	4,098	4,384
1. Cash flow from operating activities	2,771	-15,251
Cash flow with regard to operations:	11,709	
Operating result	14,966	8,688
Interest paid	-3,055	-1,620
Interest received	48	22
Other	-250	
Non-cash elements added to/subtracted from the result	2,250	-1,036
* <u>Amortisations and impairments</u>	41	
- Amortisations/impairments (or writebacks) on tangible and intangible assets	41	44
* <u>Other non-cash elements</u>	2,209	-1,080
- Variations in the fair value of the real estate property	-1,690	-890
- Other non-cash elements	3,899	-190
-Change in working capital requirements:	-10,625	-21,306
* <u>Movement of assets:</u>	-8,911	2,408
* <u>Movement of liabilities:</u>	-1,714	-23,714
2. Cash flow from investment activities	-212,351	-42,736
Acquisition of investment property and property developments	-152,853	-30,340
Sale of investment property	1,318	2,870
Purchase of shares in real estate companies	-60,367	-5,398
Acquisition of other tangible assets	-156	-51
Acquisition of non-current financial fixed assets	-290	-2
Receivables on trade and other non-current assets	-2	
Assets held for sale		185
3. Cash flow from financing activities	205,712	56,913
* <u>Change in financial liabilities and financial debts</u>		
- Increase in financial debts	202,975	57,037
- Decrease in financial debts	-70,000	0
- Repayment of shareholder loans		0
* <u>Change in other liabilities</u>	-3,469	-124
* <u>Change in equity</u>		
- Increase (+)/decrease (-) in capital/issue premiums	83,992	0
- Costs for the issue of shares	-2,121	0
Dividend for the previous financial year	-5 665	
Increase in cash following merger	585	788
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	815	4,098

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Regulated information

XII. ALTERNATIVE PERFORMANCE MEASURES (APMs): RECONCILIATION TABLES

EPRA earnings	31/12/2017	31/12/2016
Net result	10 954	5 016
Variations in the fair value of the real estate property	-3 803	-1 112
Other portfolio result	2 112	110
Result from the sale of investment property	-31	-106
Variations in the fair value of financial assets and liabilities	-942	1 866
Share in the result of joint ventures	-194	
Deferred taxes with regard to IAS 40 adjustments	1 674	
EPRA earnings	9 772	5 774

Result on the portfolio	31/12/2017	31/12/2016
Result from the sale of investment property	31	106
Variations in the fair value of the real estate property	3 803	1 112
Other portfolio result	-2 112	-110
Result on the portfolio	1 722	1 108

EPRA earnings per share	31/12/2017	31/12/2016
Net result	10 954	5 016
Variations in the fair value of the real estate property	-3 803	-1 112
Other portfolio result	2 112	110
Result from the sale of investment property	-31	-106
Variations in the fair value of financial assets and liabilities	-942	1 866
Share in the result of joint ventures	-194	
Deferred taxes with regard to IAS 40 adjustments	1 674	
Weighted average number of shares	6 851 483	4 926 401
EPRA earnings per share	1,43	1,17

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Regulated information

	31/12/2017	31/12/2016
Average interest rate		
Nominal interest paid on loans	1 810	957
costs of permitted hedging instruments	770	373
Capitalised interest	504	389
Average outstanding debt for the period	183 947	96 798
Average interest rate	1,68%	1,78%
Average interest rate excl. costs of permitted hedging instruments	1,26%	1,39%

	31/12/2017	31/12/2016
Average financing costs		
Nominal interest paid on loans	1 810	957
costs of permitted hedging instruments	770	373
Capitalised interest	504	389
Reconstitution of the nominal amount of financial debt	86	58
Bank costs and other commissions	74	212
Average outstanding debt for the period	183 947	96 798
Average financing costs	1,76%	2,05%
Average financing costs excl. costs of permitted hedging instruments	1,34%	1,67%

	31/12/2017	31/12/2016
EPRA NAV		
Net asset value according to the financial statement	223,291	131,630
To be excluded:		
Fair Value of the assets and liabilities	924	1,866
EPRA NAV	224,215	133,496
EPRA NAV (EUR/share)	27.58	25.33

	31/12/2017	31/12/2016
EPRA triple net asset value (NNNAV)		
EPRA NAV	224,215	133,496
To be added		
Fair Value of the assets and liabilities	-924	-1,866
EPRA triple net asset value (NNNAV)	223,291	131,630
EPRA triple net asset value (NNNAV) (EUR per share)	27.47	24.97

	31/12/2017
EPRA Net Initial Yield	

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Investment property – full property fair value	492,573	
Investment property – share in joint ventures	6,235	
Minus property developments	-59,166	
Completed property portfolio	433,407	
Transaction fees	10,835	
Investment value of the property available for rent	444,242	
Annualised gross rental income	23,492	
Property charges	-2,473	
Annualised net rental income	21,019	
Notional amount at the end of the rent-free period	-	
Adjusted annualised net rental income	21,019	
EPRA Net Initial Yield	5.2%	
EPRA Adjusted Net Initial Yield	5.2%	
EPRA Rental Vacancy	31/12/2017	
Estimated rental value of the vacant units	534	
Estimated rental value of the entire portfolio	22,519	
EPRA Rental Vacancy	2%	
EPRA cost ratio	31/12/2017	31/12/2016
General expenses	2,068	1,859
Impairment of trade receivables	91	57
Property charges	3,295	1,981
EPRA costs (incl. vacancy costs)	5,454	3,897
Vacancy costs	148	0
EPRA costs (excl. vacancy costs)	5,306	3,897
Gross rental income	18,285	10,969
EPRA cost ratio (incl. vacancy costs)	29.8%	35.5%
EPRA cost ratio (excl. vacancy costs)	29.0%	35.5%

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

APM terms	Definition	Use
EPRA earnings	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 adjustments	Measuring the result of the strategic operational activities, excluding variations in the fair value of investment property, other portfolio result, the result from the sale of investment property and variations in the fair value of financial assets and liabilities and the deferred taxes with regard to IAS 40. This indicates the extent to which dividend payments are supported by the earnings.
Result on the portfolio	Income from the sale of investment property +/- variations 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 +/- variations in the fair value of investment property +/- other portfolio result +/- variations in the fair value of financial assets and liabilities +/- deferred taxes with regard to IAS 40 adjustments divided by the average number of shares	Comparability with other RRECs and international property players
EPRA NAV	This is the net asset value (NAV) that has been adjusted to also include property and other investments at their Fair Value, which exclude certain elements that are not expected to actually take shape in a business model with long-term investment property.	Comparability with other RRECs and international property players
EPRA 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 Net Initial Yield (NIY)	Annualised gross rental income based on the current rent on the closing date excluding the property charges divided by the portfolio market value plus the estimated transaction rights and costs in case of hypothetical disposal of investment property.	Comparability with other RRECs and international property players

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EPRA Adjusted Net Initial Yield (Adjusted NIY)	This measure integrates an adjustment of the EPRA NIY for the end of rent-free periods or other non-expired rental incentives.	Comparability with other RRECs and international property players
EPRA rental vacancy	Estimated rental value of vacant units divided by the estimated rental value of the total portfolio.	Comparability with other RRECs and international property players
EPRA cost ratio (incl. vacancy costs)	EPRA costs (including vacancy costs) divided by the gross rental income, less the rent still to be paid on rented land.	Comparability with other RRECs and international property players
EPRA cost ratio (excl. vacancy costs)	EPRA costs (excluding vacancy costs) divided by the gross rental income, less the rent still to be paid on rented land.	Comparability with other RRECs and international property players

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 immediately feels at home.

Xior Student Housing has been accredited as a public RREC under Belgian law since 24 November 2015. Xior Student Housing NV's shares have been listed on Euronext Brussels (XIOR) since 11 December 2015. On 31 December 2017, Xior Student Housing had available a property portfolio worth approximately EUR 489 million. More information is available on www.xior.be.

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Disclaimer

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