

Publication of Half-Yearly Financial Report – period from 1 January 2020 to 30 June 2020

Xior reconfirms earnings and dividend forecast for 2020 Rentals on track for next academic year

Antwerp, Belgium – 5 August 2020 – Xior Student Housing NV, the Belgian public regulated real estate company (RREC) specialising in the student housing segment in Belgium, the Netherlands, Spain and Portugal, announces the publication of its 2020 Half-Yearly Financial Report.

H1 2020 results in line with expectations. For the entire financial year of 2020, Xior reconfirms the targeted gross dividend of EUR 1.36 (a 4.6% increase) based on the previously announced EPRA earnings forecast of EUR 1.70 (a 6.3% increase).

The EPRA earnings – group share over H1 2020 amounts to EUR 0.73 per share¹, which is EUR 0.78 per share after IFRIC 21 adjustment. The EPRA earnings – group share over H1 2020 amounts to KEUR 13,995, a 33% increase compared to H1 2019 (KEUR 15,138 after IFRIC 21 adjustment).

Net rental result increased to KEUR 27,293, a 31% increase compared to H1 2019.

EPRA NAV per share² of EUR 35.52, compared to EUR 35.96 as of 31 December 2019.
IFRS NAV per share³ of EUR 31.47, compared to EUR 32.71 as of 31 December 2019.

Debt ratio of 53.12%, compared to 45.67% as of 31 December 2019. Occupancy rate of 98.04% for H1 2020, compared to 98% for the whole of 2019.

The property portfolio has risen to MEUR 1,367, 80% of which is fully operational with 8,991 lettable student units. If all acquisitions and redevelopments in the committed pipeline are completed, the portfolio will increase to approximately MEUR 1,800 with more than 15,000 lettable student units. During the first half of the year, a total of MEUR 240 in new investments were announced.

Covid-19 update:

Rentals for most cities in Belgium, the Netherlands and Spain, are on track and in some cities even better. Higher retention rates than usual were also observed and demand from foreign students persists. Portugal is, as expected, still in the start-up phase.

The impact of the compensations provided to students on this financial year will be limited by cutting costs and by achieving more cost efficiency. The commercial teams have also given extra attention to the collection of rent and will continue to monitor this closely in view of the current circumstances. Thanks to a rapid response throughout the entire organisation, Xior has managed to position itself to withstand the consequences of the Covid-19 crisis and neutralise the impact on its results. Once again, student housing has proven to be crisis resistant and Xior is confident about the future.

For more information, we refer you to the Half-yearly Financial Report for H1 2020, which we published today and is available on Xior's website (in [Dutch](#) and [English](#)).

¹ The figures per share are based on the weighted average number of shares (taking into account the respective dividend entitlements), unless otherwise stated.

² Based on the number of shares issued.

³ Based on the number of shares issued.

Covid-19 update

The accelerated spread of Covid-19 (coronavirus) has prompted governments to take measures to protect the health of citizens and slow down the spread of the virus. At Xior, too, the focus in the last few months was primarily on the health of its students, teams, and all its stakeholders. Xior currently estimates the risks and its position in this respect as follows:

- a. **Operations:** During lockdown, our residences remained open and accessible at all times subject to the social distancing rules. In many locations, the 'real' occupancy was lower, as many students went home. As the Covid-19 restrictions were eased and many universities decided to organise as many exams as possible either physically on their own campus or in other assigned locations, many young people went back to their student rooms and the occupancy in many residences increased significantly. The necessary safety measures such as disinfecting gel dispensers, face masks, clear signage and instructions, adapted circulation routes and additional cleaning, were introduced to ensure a safe return for the students. During the coronavirus peak and the corresponding strict precautions, physical visits were not permitted and virtual tours were provided. Of course, the extent to which the coronavirus crisis and the current second wave will impact the coming academic year can not yet be fully estimated, but various universities have already officially communicated their intention to maximise on-campus education, particularly for first-year students, in combination with digital lectures and advocate to give students back their campus life. The mix of online education and on-campus learning activities was also reconfirmed at the meetings of Xior's Country Managers with various educational institutions. Students are also choosing this option on a massive scale, which is reflected in the success of the rental season.
- b. **Rentals:** Rentals for the upcoming academic year are going according to plan and are even better than planned in some cities. Of course a number of start-up residences located in the current active red zones are experiencing a delayed start-up (ramp-up). Interestingly, in several cities the rental season started earlier this year and higher retention rates than usual were observed. Demand from foreign students also remains present. The waiting lists for Erasmus students, who tend to rent for short periods, are getting longer because Xior prefers to give priority to annual contracts for domestic and foreign students. The great uncertainty that prevailed as to whether international mobility would be maintained and the influx of foreign students would get back on track, Xior can by trial and error disprove this. The Woudestein residence in Rotterdam was rented out extremely fast: all 259 rooms were rented out to international first-year students in just 3 hours. The Netherlands is still extremely attractive for foreign students because of the much lower study costs and the rental subsidies. The great scarcity and demand for accommodation in the Netherlands continues to ensure that studios and rooms are easily re-rented to foreign and also to Dutch students. 84 rooms in the Willem Dreeslaan residence in

Utrecht were all rented out the day they were posted online, and 90% of the new Burgwal residence in The Hague was already occupied one month before the planned reopening. However, we did notice some delay in the rental of the new residences in Barcelona (Diagonal Besòs), Porto (U.hub São João) and Lisbon (U.hub Benfica), which are right in the middle of the current red zones. Moreover, entry exams were postponed in Spain and Portugal, which means that students will not see their results and university enrolment confirmed until later. We are therefore expecting a delayed start to the rental season for these residences and possibly a slower ramp-up of rental income for the coming academic year. When the situation gets back to normal in these cities, Xior remains convinced that, given their triple-A location, these residences will quickly move towards full occupancy. The local teams are closely monitoring the situation and additional commercial measures have been taken to stimulate rentals.

- c. **Rental results:** Xior has granted students a limited commercial contribution of KEUR 547 in total in the various countries in which it operates. Xior will try to limit the loss of income caused by these measures by cutting costs and increasing efficiency by the end of 2020 (estimated at KEUR 400). In Flanders, Spain and Portugal, the contracts have a fixed duration and cannot be terminated due to the coronavirus crisis. In Flanders, a remarkably low number of people used the option to cancel signed rental contracts up to three months before the start of the rental period. Approximately 60 rooms were cancelled, but they were rented out again in no time at all. In the Netherlands, some of the tenancy agreements (depending on the type of contract and the term already expired) can be terminated subject to payment of a notice fee or observance of a notice period. However, due to the large shortage in the Netherlands, this does not have a significant impact on vacancy rates. Xior was able to compensate some of the rental losses incurred when some (mainly foreign) tenants used the option to terminate their contract, by means of income from the universities with which it has agreements or new rental contracts. The great demand for accommodation in the Netherlands meant that these studios and rooms, which are otherwise intended for foreign students, were quickly rented out again to Dutch students.
- d. **Rent collection:** Since the outbreak of the pandemic, the commercial teams have given extra attention to collecting rent and are continuing to monitor rent collection closely in view of the circumstances. All defaulters are contacted in order to keep dialogue with the tenants open and to find constructive solutions, taking into account tenants' individual situations. The established Xior Covid fund, which is financed with voluntary contributions from the CEO, the directors and the executive management, can also be used to support vulnerable student tenants in all Xior countries. Most rents for the months of April/May/June (where rents are paid monthly) and for Q2 (where rents are paid quarterly) have been received. This is in line with the same period last year. As at 30 June 2020, the collection rate was 93%, compared to 96% on 30 June 2019. As a precaution, a number of provisions have already been set up for doubtful debtors.

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Regulated information

- e. **Projects in progress:** U.hub Benfica (Lisbon), U.hub São João (Porto) and PXL (Hasselt) are currently being completed for on-time delivery for the next academic year. For the remainder, all construction projects and permit procedures in Portugal, Spain, the Netherlands and Belgium are currently ongoing, and there is no impact on the general timelines of these projects to be reported.
- f. **Valuation:** The valuations as of 30 June 2020 do not show any significant changes in the fair value of the portfolio compared to the valuation as of 31 March 2020. It is mainly in the valuation of Spanish and Portuguese projects where there is a limited (negative) impact. C&W Netherlands, C&W Portugal and CBRE state in their valuation report of 30 June 2020 that Covid-19 has caused material valuation uncertainty.
- g. **Financing:** As of 30 June 2020, the debt ratio amounts to 53.12%, which leaves room for financing the capex with borrowed capital. In addition, Xior has sufficient committed credit lines to meet its capex obligations until mid-2021, partly thanks to the issuance of a US Green Bond for an amount of EUR 100 million. Furthermore, an agreement was reached to extend the two loans maturing at the end of December 2020 for a total amount of EUR 30 million to 30/6/2024 and 31/12/2025 respectively. The next due date is therefore now Q2 2021. Xior maintains good relations with its existing lenders – the agreement on the refinancing and extension of the loans, due at the end of 2020, is a good example of this. Moreover, it also maintains the confidence of the broader credit market, which was underlined by the issuance of the bond in April 2020.

Thanks to a rapid response throughout the organisation, Xior has managed to position itself to withstand the consequences of the Covid-19 crisis and neutralise the impact on its results. Once again, student housing has proven to be crisis resistant and Xior is confident about the future.

Consolidated P&L	Amounts in KEUR	30/06/2020	30/06/2019
Net rental result		27,293	20,896
Property result		26,834	20,441
Operating result before result on the portfolio		18,945	15,135
Financial result (excl. variations in the fair value of financial assets and liabilities)		-4,018	-3,087
EPRA earnings 		14,258	10,530
EPRA earnings after IFRIC 21 adjustment 		15,401	11,380
EPRA earnings – group share 		13,995	10,530
EPRA earnings – group share – after IFRIC 21 adjustment 		15,138	11,380

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Result on the portfolio (IAS 40) 	-14,375 ⁴	3,025
Revaluation of financial instruments (ineffective interest rate hedges)	-8,477	-10,744
Share in the result of joint ventures	-479	101
Deferred taxes	261	-611
Net result (IFRS)	-9,079	2,301
Number of lettable student units	8,991	5,795

Consolidated balance sheet	Amounts in KEUR	30/06/2020	31/12/2019
Equity		607,201	625,808
Equity – group share		589,201	610,428
Fair value of the real estate property ⁵		1,367,082	1,190,791
Debt ratio (Act on Regulated Real Estate Companies) ⁶		53.12%	45.67%

Key figures per share	Amounts in EUR	30/06/2020	30/06/2019
Number of shares		19,295,291	14,349,847
Weighted average number of shares ⁷		19,295,291	13,961,809
EPRA earnings per share (based on the weighted average number of shares) 		0.74	0.75
EPRA earnings – after IFRIC 21 adjustment		0.80	0.82
EPRA earnings per share – group share		0.73	0.75
EPRA earnings per share after IFRIC 21 adjustment – group share		0.78	0.82
Result on the portfolio per share (IAS 40) (based on the weighted average number of shares) 		-0.74	0.22
Revaluation of financial assets and liabilities per share (based on the weighted average number of shares)		-0.44	-0.77
Net result per share (IFRS) (based on the weighted average number of shares)		-0.47	0.16
Closing price of the share		47.65	45.80
Net asset value per share (IFRS) (based on the number of outstanding shares)		31.47	29.44

⁴ The negative other portfolio result (KEUR -12,273) relates to the impact of the first consolidation difference of new acquisitions, mainly by applying deferred tax liabilities to the potential capital gains. On the other hand, a final purchase price settlement was made for certain historical acquisitions. The impact of this was also reflected in other portfolio results. The negative changes in fair value (KEUR -2,362) relate primarily to Spanish property, for which the discount rate was adjusted in the current valuation as a result of the impact of Covid-19 on the property market.

⁵ The Fair Value of the investment property is the investment value as determined by an independent property expert less the transaction fees (see BE-REIT (Public RREC) 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 Act of 12 May 2014 on Regulated Real Estate Companies.

⁷ Shares are included based on the respective dividend entitlement.

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About Xior Student Housing

Xior Student Housing NV is the first Belgian public regulated real estate company (RREC) specialising in the student housing segment in Belgium, the Netherlands, Spain and Portugal. Within this real estate segment, Xior Student Housing offers a variety of accommodation, ranging from rooms with shared facilities to en-suite rooms and fully equipped studios. Since 2007, as owner-operator, Xior Student Housing has built high-quality, reliable student accommodation 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's shares have been listed on Euronext Brussels (XIOR) since 11 December 2015. On 30 June 2020, Xior Student Housing held a property portfolio worth approximately EUR 1.37 billion. More information is available at www.xior.be.

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