



ANNUAL RESULTS 2018



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1. QRF CITY RETAIL

1.1 SUMMARY 2018

PER 31 DECEMBER 2018

- **EPRA earnings up** by 3.2% to 8.60 MEUR (1.52 EUR per share).
- **Permanent focus on inner-city retail properties at the best locations** in the top cities in Belgium and the Netherlands.
- **High concentration of quality inner-city retail properties in the portfolio** (89% inner-city retail properties).
- **Fair value of the portfolio of 271.79 MEUR**, 90% of which is situated in Belgium and 10% in the Netherlands.
- **High degree of diversification** in terms of location, counterparties and retail sectors.
- **Consistent implementation of divestment strategy** through the sale of 4 properties situated in Sint-Niklaas, Ostend, Marche-en-Famenne and Mons for a net selling price of ca. 8 MEUR.
- **High Occupancy rate** of ca. 95%.
- **Decrease of the Debt ratio** to 52.12% (47.9% as of 31 January 2019)¹.
- **Gross dividend yield of ca. 5% five years in a row*** (with respect to closing price at the end of the financial year).
- **Active asset management strategy** with a view to opportunities in own portfolio.
- **Dynamic team** with hands-on mentality and feeling for the market.

¹Still to be approved for the financial year 2018 by the general meeting of shareholders of 21 May 2019.

2. RETROSPECT AND OUTLOOK

In 2018 Qrf City Retail executed its “**Rebalancing for future growth**” strategy. The execution of this strategy has resulted in the optimization of the portfolio and the company for the 5th year in a row:

- **the Debt ratio was reduced** to 52.12% in 2018 (and will drop further to 47.9% as of 31 January 2019);
- **the portfolio became more robust overall**, thanks in particular to the sale of 4 properties for a net selling price of ca. 8 MEUR;
- **a reinforcement of the Shareholder's equity was announced** for an amount of 23.8 MEUR, which makes Qrf City Retail more resilient²;
- **a high Occupancy rate of 94.82% was maintained**, taking into account that in 2018, a number of units lay strategically vacant for optimization works and development opportunities;
- it was decided to propose to the General Meeting of Shareholders to pay a conservative gross dividend of 0.80 EUR per share, which comes down to a **gross dividend yield of 5.8%** (based on the closing price on 31 December 2018), thereby confirming the confidence of Qrf City Retail in the future. This comes down to a payout ratio of 52.7%, which enables Qrf City Retail to **optimize its reserves**.

In 2019 Qrf City Retail will continue to focus on:

- **optimizing the retail property portfolio** so that it can take a strong market position to address the needs of retailers;
- **opportunistic investments** and further disposal of non-strategic locations through a consistent divestment strategy;
- **dynamic asset management** as a cornerstone of the portfolio. We analyse and activate opportunities within our own portfolio to create value;
- **strengthening the financial core of the company further**. We are focusing on further reducing the Debt ratio and strengthening the reserves.

Qrf City Retail confirms its belief in the future of inner city and urban retail properties. Leading experts worldwide calculate that the halo effect of e-commerce (i.e. the impact that local physical shops have as a booster of online sales) accounts for 20% to 40% of the total economic value of a shop.

Qrf City Retail therefore focuses on optimizing and strengthening its real estate portfolio, to be in the best position to address future demand of retailers and so that retailers and visitors have the best experience in and around our retail properties.

3. OPERATIONAL ACTIVITIES

3.1 DURING THE FINANCIAL YEAR 2018

3.1.1. DIVESTMENTS

In addition to focusing on its growth strategy in inner-city retail real estate and its active management strategy, Qrf City Retail endeavours to capitalize on the sale of non-strategic properties in order to increase the general quality of the portfolio.

In 2018 Qrf City Retail sold 3 non-strategic properties situated in Sint-Niklaas (Stationsstraat 39), Marche-en-Famenne (Rue Du Parc Industriel 8) and Mons (Grand Rue 5). A property situated in Ostend (Adolf

Buylstraat 36) was also sold. Together, these divestments accounted for a total net selling price (after deduction of registration fees and other transfer charges) of ca. 8 MEUR.

The overall net selling price of these 4 properties exceeded the last Fair Value, as estimated by an independent chartered surveyor, by 3.2%

Date	Divestment of	Street	Contractual rents on an annual basis	Net selling price
16 April 2018	A retail property	Sint-Niklaas (Stationsstraat 39)	Vacant property ³	675 KEUR
16 October 2018	A retail site	Marche-en-Famenne (Rue du Parc Industriel 8)	251 KEUR	4.400 KEUR
13 December 2018	A retail property	Ostend (Adolf Buylstraat 36)	174 KEUR	2.625 KEUR
27 December 2018	A retail property	Mons (Grand Rue 5)	24 KEUR	290 KEUR

3.1.2. DYNAMIC ASSET MANAGEMENT

Qrf City Retail also focused on active asset management this past financial year through:

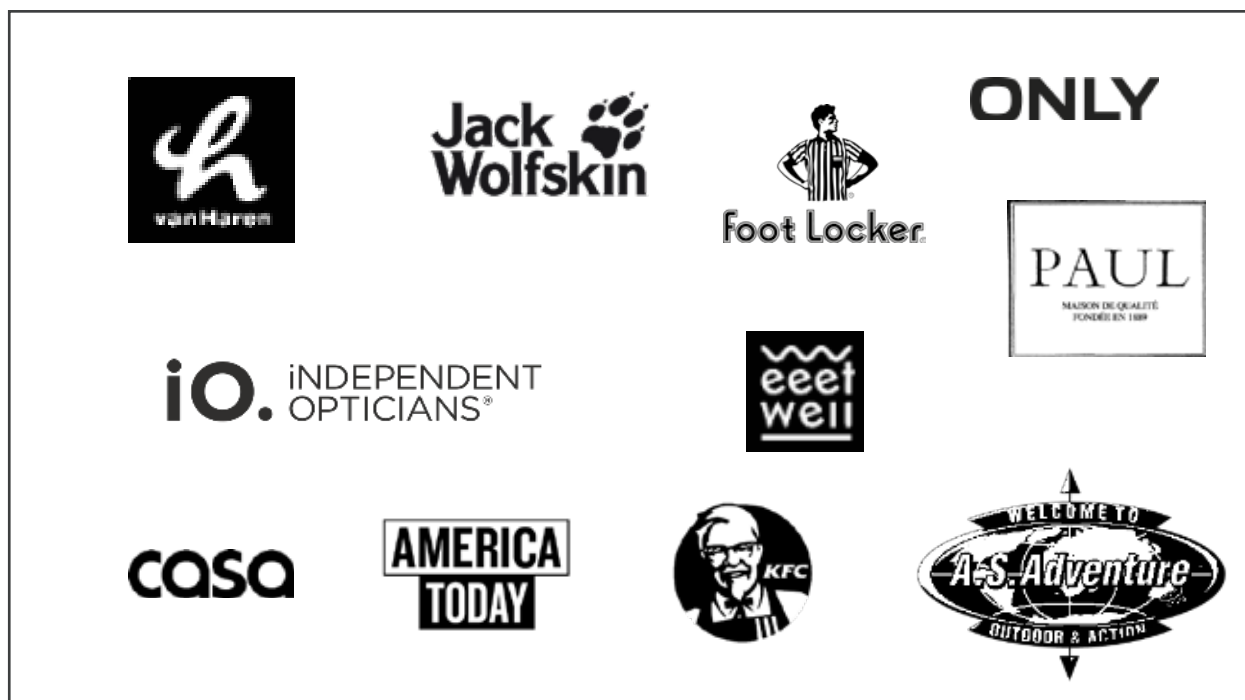
- **an active reletting strategy**, whereby it keeps close watch on the most expansive chains of the moment and strives for diversification and stability in the portfolio;
- **a value creating redevelopment and renovation policy**, whereby unused floor space is monetized, building structures are made homogenous so that they can be used by most retail concepts, and are combined with sustainable energy performances and a distinct facade look;

- **curbing vacancy and the surcharge on unoccupied buildings** by attracting pop-up concepts;

- **expanding relevant contacts** with decision makers in the retail world.

The consistent implementation of this strategy has enabled Qrf City Retail to welcome various strong international retailers in its portfolio in recent years. In addition, various pop-up concepts were launched with which, in addition to retaining the value of its portfolio, Qrf City Retail was also able to make a contribution to the value of the inner city.

NEW TENANTS IN OUR PORTFOLIO SINCE 2017



In 2018 Qrf City Retail moreover welcomed the flagship store of Haren Schoenen in Mechelen, thereby monetizing the upper

floors which had previously been vacant. The entire facade was renovated also.



Furthermore, various properties and sites were optimized, including the facade of Adolf Buylstraat 1A (Ostend), the renewal of the roof and technical installations in a number of properties in Boncelles, Liège

and Tongeren, and a luxury apartment at Wapper 14-16 (Antwerp) which was refurbished for rental, and the further optimization of a retail warehouse park in Huy.



3.2 AFTER CLOSING OF THE FINANCIAL YEAR 2018

3.2.1. ACQUISITIONS

In financial year 2018 Qrf City Retail announced that it would continue its acquisition strategy in 2019 by buying inner-city properties in Antwerp and Ostend (important Belgian retail cities), through the contribution in kind (at a 13% premium in relation to the share price on 30 January 2019)⁴ of nine retail properties in Antwerp and Ostend by the Vanmoerkerke family.

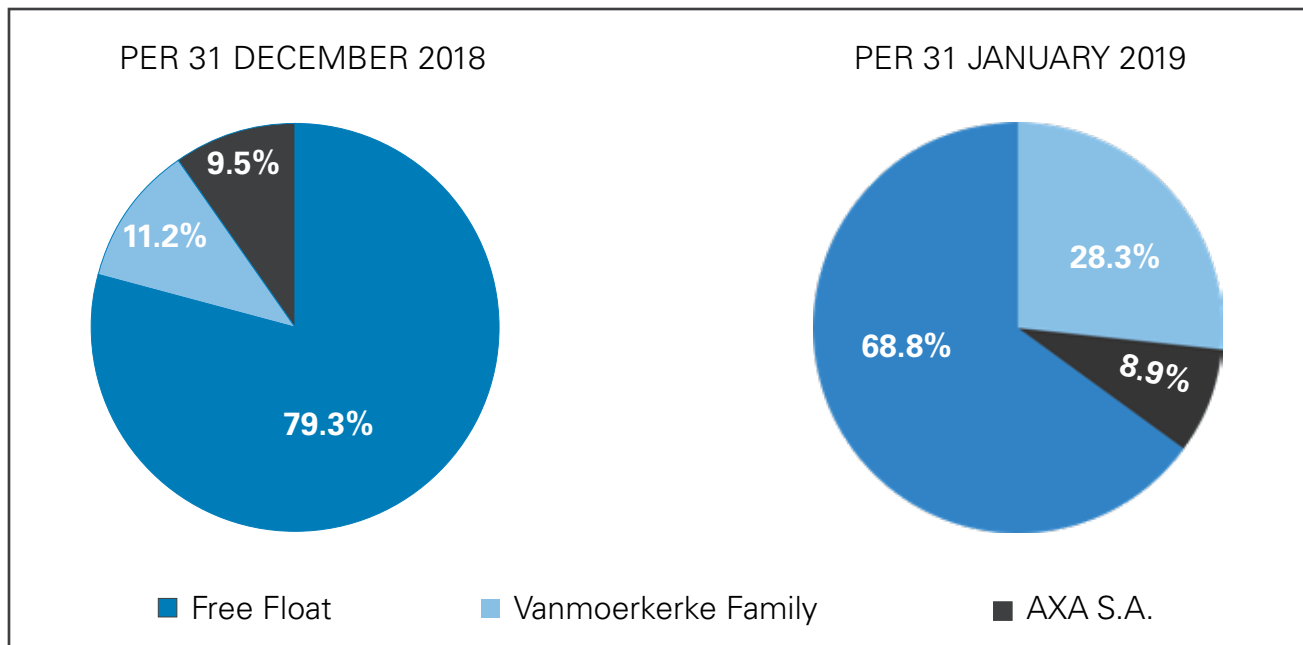
The location of the properties is fully in line with the strategic vision of Qrf City Retail. This transaction was completed on 30 January 2019.

Through this operation, Qrf City Retail acquired new tenants such as TUI, Footlocker, Lensonline and Boulangerie Paul outside the fashion segment. This means a further diversification of the portfolio to activities that are less sensitive to e-commerce.

The nine retail properties are expected to generate jointly 1.178 KEUR Contractual Rents on an annual basis.⁵ The total investment value of these retail properties amounts to 23.8 MEUR.⁶



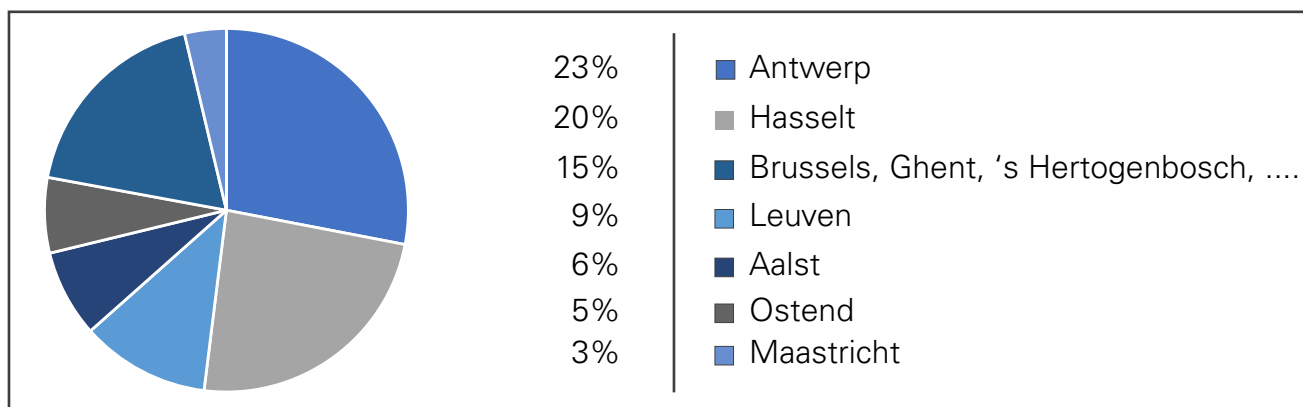
Through the above transaction, the shareholders' structure of Qrf Comm. VA evolved as follows:



With the aforementioned transaction, Qrf City Retail managed to decrease the presence of secondary cities in its portfolio in recent years. The most prominent shopping city in Belgium, Antwerp, has taken a dominant position in its portfolio.

More than 75% of the total real estate portfolio of Qrf City Retail is located in 10 important shopping cities in Belgium (Antwerp, Brussels, Ghent, Hasselt, Liège, Namur, Leuven, Mechelen, Aalst and Ostend) and 5 important shopping cities in the Netherlands (Maastricht, Den Bosch, Nijmegen, Zwolle and Enschede).

BREAKDOWN PER CITY AS OF 31 JANUARY 2019



3.2.2. CHANGE IN THE EXECUTIVE MANAGEMENT TEAM AND THE BOARD OF DIRECTORS

I. The Board of Directors of the Statutory Manager of Qrf City Retail announced on 5 December 2018 that Mr Preben Bruggeman, CFO (Chief Financial Officer) and Effective leader, decided to leave the company to take on a new professional challenge.

Qrf City Retail has in the meantime already started the search for a new CFO. The current financial team and the CEO, Anneleen Desmyter, have assumed the ongoing activities on an interim basis.

II. Messrs William Vanmoerkerke and Francis Vanderhoydonck replaced Messrs Herman Du Bois and Freddy Hoorens on the Qrf Board of Directors effective as of 31 January 2019.

III. On 19 February 2019, the Board of Directors decided to appoint William Vanmoerkerke as co-CEO, Effective Leader and Permanent Representative of Qrf Management NV. William Vanmoerkerke earned a Master's Degree in Applied Economics from the University of Ghent, a Master's Degree in Marketing Management from the Vlerick Leuven Ghent Management School and a Master's Degree

in Business Administration from New York University. He started his career at eBay as a Segment Manager. In 2008, he joined Roland Berger Strategy Consultants, and then in 2012 he joined The Boston Consulting Group where he took up the same position. In 2013 he continued his career as Senior Director Strategy & Business Development at Elsevier Inc.

He will hold this office jointly with CEO Anneleen Desmyter until the General Meeting of Shareholders on 21 May 2019.

IV. Anneleen Desmyter will submit her resignation as CEO and Effective Leader on 21 May 2019. She was one of the founders of Qrf City Retail and served as CEO for more than 5 years. Her voluntary departure is in line with the sale of Qrf Management NV, the Statutory Manager of Qrf City Retail, by the Quares Group, of which Anneleen Desmyter is co-partner.



Francis Vanderhoydonck



William Vanmoerkerke

3.2.3. CHANGE IN CONTROL OF STATUTORY MANAGER AND ADAPTATION OF THE PROPERTY MANAGEMENT AGREEMENT

With the completion of the aforementioned contribution in kind (at a 13% premium in relation to the share price on 30 January 2019) the Vanmoerkerke family has taken over 100% of the shares in Qrf Management NV, the Statutory Manager of Qrf City Retail, from the Quares group.⁷

The interests of the Shareholders and of Management were brought further in line

with the entry of the Vanmoerkerke family as reference shareholder and transferee of the Statutory Manager.

Quares Property Management NV and Quares Property & Facility Management BV are no longer affiliated with Qrf City Retail, but will continue to provide technical assistance to ensure the continuity of Qrf City Retail.⁸

Certain contractual conditions of this property management agreement have been adapted accordingly.



The new Board of Directors of Qrf as of January 30, 2019.

From left to right: William Vanmoerkerke, Jan Brouwers, Francis Vanderhoydonck, Anneleen Desmyter, Inge Boets, Frank De Moor

4. FINANCIAL RESULTS 2018

The financial year 2018 covers the period from 1 January 2018 to 31 December 2018.

Consolidated key figures		2018	2017
Real estate portfolio			
Fair value of the real estate portfolio ⁹	(KEUR)	271,794	287,404
Total gross surface area	(m ²)	87,116	91,573
Contractual Rents on an annual basis ¹⁰	(KEUR)	15,391	16,025
Estimated Rental Value of vacant property	(KEUR)	842	417
Gross rental income ¹¹		5.66%	5.58%
Occupancy rates ¹²		94.82%	97.47%
Profit and loss account			
Net rental income	(KEUR)	15,441	14,940
Operating result before result on the portfolio	(KEUR)	11,929	11,726
Operating margin ¹³		77.3%	78.5%
Portfolio result	(KEUR)	-7,100	-3,605
Financial result	(KEUR)	-4,045	-2,952
Taxes	(KEUR)	-145	-412
Net result (group share)	(KEUR)	607	4,766
Adjustment for Portfolio Result	(KEUR)	7,100	3,605
Adjustment for changes in the Fair Value of the financial assets and liabilities (non-effective interest rate hedging - IAS 39)	(KEUR)	936	-40
Deferred taxes relating to EPRA changes	(KEUR)	-44	0
EPRA earnings ¹⁴	(KEUR)	8,599	8,332
Balance sheet			
Shareholders' equity (excl. minority interests)	(KEUR)	129,272	134,710
Debt ratio (RREC Act) ¹⁵		52.12%	52.69%

Consolidated key figures		2018	2017
Key figures per share			
Total number of shares outstanding at the end of the period		5,665,822	5,665,822
Weighted average number of shares ¹⁶		5,665,822	5,224,997
Net result per share	(EUR)	0.11	0.91
EPRA earnings per share	(EUR)	1.52	1.59
Gross dividend per share	(EUR)	0.80	1.35
Dividend ratio payout ¹⁷		52.7%	84.7%
Gross dividend yield (on closing price of the share at the end of the financial year)		5.8%	5.5%
Closing price of the share at the end of the financial year	(EUR)	13.80	24.38
IFRS NAV per share ¹⁸	(EUR)	22.82	23.78
Premium/discount to IFRS NAV (end of financial year)		-39.5%	2.5%
EPRA NAV per share (EPRA) ¹⁹	(EUR)	23.11	24.12
Premium/discount to EPRA NAV (end of financial year)		-40.3%	1.1%

4.1 RESULTS

The Net rental income rose by 3.4% from 14.94 MEUR in 2017 to 15.44 MEUR in 2018. This increase is attributable mainly to the full contribution in 2018 of properties which Qrf City Retail had bought in 2017.

The operating margin dropped from 78.5% in 2017 to 77.3% in 2018.

As a result, the **operating result before the result on the portfolio** has increased by 1.7% from 11.73 MEUR in 2017 to 11.93 MEUR in 2018.

The portfolio result for 2018 amounted to -7.1 MEUR, consisting of

- a positive result from the sale of property investments amounting to 0.25

MEUR (properties situated in Sint-Niklaas, Marche-en-Famenne, Mons and Ostend); and

- negative changes in the Fair Value of the real estate portfolio for an amount of 7.35 MEUR.

These negative changes in the Fair Value of the investment portfolio are attributable to:

- a negative development in the Fair value of the current portfolio in Belgium (-3.3%); and
- a positive development in the Fair Value of the current portfolio in the Netherlands (+0.7%).

The financial result for 2018 amounted to -4.05 MEUR (compared to -2.95 MEUR in 2017). The **net interest charges** dropped from 2.90 MEUR in 2017 to 2.85 MEUR in 2018. This drop is attributed to a drop in the credit lines taken up, combined with a drop in the **Average Cost of Financing** to 1.91% (2.07% in 2017). Qrf City Retail recorded a negative variation in the Fair Value of financial assets and liabilities of 0.94 in the profit and loss account 2018.

The Net result (group share) dropped from 4.77 MEUR in 2017 to 0.61 MEUR in 2018, or from 0.91 EUR per share in 2017 to 0.11 EUR per share in 2018.

After adjustment for the portfolio result (-7.1 MEUR) and the change in the Fair Value of financial assets and liabilities (-0.94 MEUR), Qrf City Retail recorded a rise in the **EPRA earnings** of 3.2% to 8.60 MEUR in 2018 (8.33 MEUR in 2017). The **EPRA earnings per share** dropped slightly to 1.52 EUR in 2018 (-4.8% compared with 2017).

By virtue of Article 617 of the Companies Code, calculated pursuant to Chapter 4 of Annex C of the Royal Decree on Regulated Real Estate Companies, the distributable equity capital amounted to 6,779 KEUR on 31 December 2018, and meets the legal requirements to pay out a dividend.

By reducing its net debt burden in 2018, pursuant to Article 13 of the Royal Decree on Regulated Real Estate Companies, Qrf City Retail is not required to proceed to any dividend pay out.

In regard to further strengthening the balance

sheet of the company, the Board of Directors of the Statutory Manager decided to propose to the general meeting of shareholders to pay out a conservative dividend totalling 4,532 KEUR, or 0.80 EUR per share. This reflects the pay-out ratio of 52.7%.

4.2 BALANCE SHEET

On 31 December 2018, the **Fair Value of the real estate portfolio** stood at 271.79 MEUR, compared with 287.40 MEUR on 31 December 2017, a drop of 5.4%, as a result of the divestments in 2018 and the variations in the Fair Value of the existing portfolio.

Overall, the portfolio was valued by the chartered surveyor at a gross portfolio yield of 5.66%.

The group's shareholders' equity, excluding minority interests, dropped by 4.0% from 134.71 MEUR on 31 December 2017 to 129.27 MEUR on 31 December 2018.

The number of outstanding shares remained the same at 5,665,822 on 31 December 2018. **The IFRS NAV per share** dropped by 4.0% from 23.78 EUR on 31 December 2017 to 22.82 EUR on 31 December 2018. **The EPRA NAV per share** dropped by 4.2% from 24.12 EUR to 23.11 EUR over the same period.

The Debt ratio dropped to 52.12% on 31 December 2018 (52.69% on 31 December 2017).

4.3 FINANCIAL STRUCTURE

On 31 December 2018 Qrf City Retail had 141.0 MEUR financial debts consisting of:

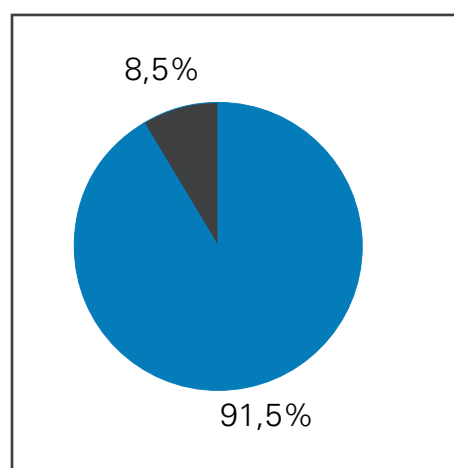
- **Bilateral credit lines** for an amount of 129 MEUR from 7 financial institutions with well spread out due dates between 2020 and 2026. The weighted average residual duration amounts to 4.7 years.
- **Commercial Paper** for an amount of 12 MEUR. The full amount of outstanding short term commercial paper is covered by long-term credit lines (back-up lines).

On 31 December 2018 Qrf City Retail had 169 MEUR in credit lines. An amount of 40 MEUR of the credit lines is not drawn up and is available.

The Average Cost of Financing amounts to 1.9% in 2018 (2.07% in 2017).

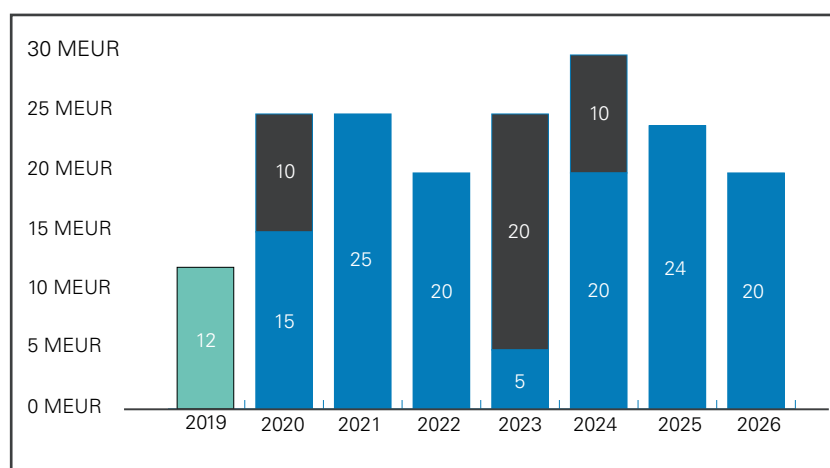
On 31 December 2018, the composition of the financial debts is as follows:

COMPOSITION OF FINANCIAL DEBTS ON 31 DECEMBER 2018



- Commercial Paper
- Drawn credit lines

DUE DATES OF THE EFFECTIVE AND NON-EFFECTIVE LINES OF CREDIT ON 31 DECEMBER 2018



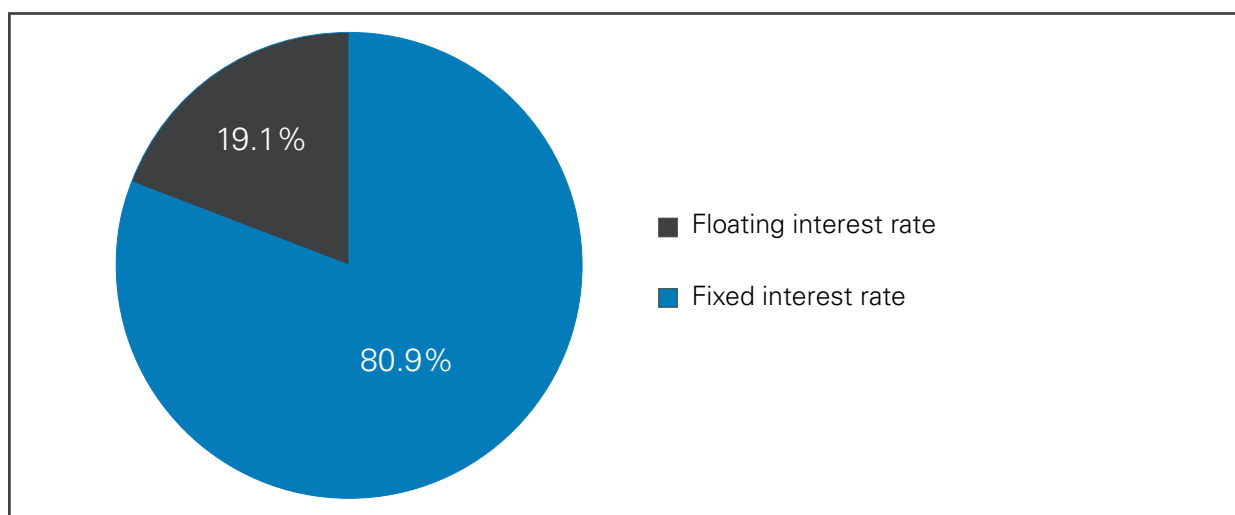
- Expiry dates of drawn credit lines
- Expiry dates of available credit lines
- Expiry dates of Commercial Paper

On 31 December 2018, the financial debts (total of credit lines drawn and outstanding commercial paper) had a fixed interest rate for 80.9% of the cases (for a sum amounting to 114 MEUR), for example by using Interest Rate Swaps as a hedge. The fixed interest rates have a weighted average residual term of 4.3 years.

The total value of the hedges on the closure date was negative for the amount of 1.57 MEUR, because of a decline of the interests after the closure of the hedges.

The management of Qrf City Retail wishes to stress the fact that they want to protect the association against potential interest rises to the maximum.

PROPORTION OF FIXED AND FLOATING INTEREST RATE



5. FINANCIAL REPORTING - EPRA GOLD AWARD

Qrf City Retail obtained the EPRA Gold Award for Financial Reporting for its Annual Report 2017. EPRA, the European Public Real Estate Association, is the voice of the European listed real estate sector. It represents €450 billion in immovable assets (www.epra.com).



6. FINANCIAL CALENDAR 2019

19

APRIL 2019

publication Annual Financial Report 2018

08

MAY 2019

publication of the Q1 update for 2019

21

MAY 2019

annual General Meeting of Shareholders

22

MAY 2019

dividend 2018- ex date

23

MAY 2019

dividend 2018- record date

24

MAY 2019

dividend 2018- payment date

21

AUGUST 2019

publication of half-yearly results and half-yearly report for 2019

13

NOVEMBER 2019

publication of the Q3 update for 2019

ENDNOTES

- 1 The decrease to 47.9% was calculated on the basis of the figures as at 31 December 2018.
- 2 As of January 30, 2019 implemented through the contribution transaction by the Vanmoerkerke family (see also 3.2).
- 3 The Estimated Rental Value on an annual basis amounted to 50 KEUR on 31/03/2018.
- 4 The contributors (Horizon Retail Investerings WP BVBA and Horizon Retail Investerings DMB NV, two companies controlled by the Vanmoerkerke family) were remunerated with 1,487,500 new Qrf City Retail shares at an issue price set contractually at 16.00 EUR per share. This implies a premium of 13% with respect to the closing price of 14.15 EUR on 30 January 2019 and a premium of 12% with respect to the average closing price during the 30 calendar days prior to the date of this press release. The new shares are ordinary shares that have the same rights as the existing shares, except for the fact that they do not entitle holders to the dividend for the financial year ending on 31 December 2018. The new shares will be entitled to a share of the profits as of 1 January 2019.
- 5 Seven of the nine properties were let on the date of the transaction and will generate 908 KEUR in Contractual rents on an annual basis. Two of the nine properties were not let on the same date. For these two properties, the contributor has given a rental income guarantee to Qrf City Retail for a period of 6 months for an amount of 270 KEUR on an annual basis. In the meantime, a lease has been concluded concerning one of the vacant retail properties.
- 6 The acquisition value of the aforementioned acquisitions meets the requirements of Article 49 § 1 of the RREC Act.
- 7 Via its subsidiaries "Quares REIM Retail NV" and "Quares Holding CVBA" which jointly own 100% of the shares of "Qrf Management NV".
- 8 The technical and administrative management of the portfolio of Qrf City Retail is outsourced to Quares Property Management NV (for the real estate portfolio situated in Belgium) and to Quares Property & Facility Management BV (for the real estate portfolio situated in the Netherlands) by virtue of a property management agreement.
- 9 Fair Value of the real estate portfolio = The investment value as defined by an independent chartered surveyor, from which the transfer costs are deducted. The Fair Value is equivalent to the book value under IFRS.
- 10 Contractual rents on an annual basis = The index-adjusted base rental prices as contractually set in the recent contract before the deduction of gratuities or other incentives allowed to the tenants.
- 11 Gross portfolio yield = (Contractual rents on an annual basis) / (Fair Value of the real estate portfolio).
- 12 Occupancy rate = (Contractual rents on an annual basis) / (Contractual rents on an annual basis including the Estimated Rental Value of vacant property).
- 13 Operating margin = Operating result before the result on the portfolio / (Net rental income).
- 14 EPRA earnings = Net result (group share) excluding the portfolio result and changes in the Fair Value of the non-effective interest rate hedges. This term is used in accordance with the Best Practice Recommendations of the EPRA.
- 15 Calculated in accordance with the Royal Decree of 13 July 2014 implementing the Regulated Real Estate Companies Act of 12 May 2014.
- 16 Shares are counted pro-rata temporis from the time of issue. The time of issue differs in this case from the time of profit sharing.
- 17 Dividend ratio payout = (Gross dividend per share / EPRA earnings per share).
- 18 IFRS NAV per share = Net Asset Value per share according to IFRS.
- 19 EPRA NAV per share = Net Asset Value per share according to EPRA Best Practice Recommendations.



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APPENDIX 1: FINANCIAL STATEMENTS*

I. STATE OF THE CONSOLIDATED RESULT

A. CONSOLIDATED PROFIT AND LOSS STATEMENT

Figures in thousands EUR		31/12/2018	31/12/2017
(+)	I. Rental income	15,529	14,949
(+)	II. Writebacks carried forward and discounted rents	0	0
(+/-)	III. Rental-related expenses	-88	-10
NET RENTAL INCOME		15,441	14,940
(+)	IV. Recovery of property charges	0	0
(+)	V. Recovery of rent charges and taxes normally borne by the tenant on the leased buildings	1,077	1,178
(-)	VI. Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0
(-)	VII. Charges and taxes normally payable by tenants on let properties	-1,184	-1,213
(+/-)	VIII. Other rental-related income and expenditure	0	0
PROPERTY RESULT		15,334	14,905
(-)	IX. Technical costs	-330	-289
(-)	X. Commercial costs	-174	-155
(-)	XI. Costs and taxes on un-let properties	-154	-164
(-)	XII. Real estate management costs	-570	-546
(-)	XIII. Other real estate charges	0	0
PROPERTY CHARGES		-1,228	-1,155
OPERATING PROPERTY RESULT		14,107	13,750
(-)	XIV. Corporate operating charges	-2,184	-2,026
(+/-)	XV. Other operating charges and income	8	1

* Basic assumptions concerning the figures on 31 December 2018. The financial information regarding the period ending at 31 December 2018 is drafted in accordance with the International Financial Reporting Standards (IFRS), as these have been accepted and set by the European Commission. This financial report has to be read together with the financial report on the financial year ending on 31 December 2018. The published numbers in this report are consolidated numbers in conformity with the relevant legislation, holdings and subsidiaries have been consolidated.

OPERATING RESULT BEFORE THE RESULT ON THE PORTFOLIO		11,930	11,726
(+/-)	XVI. Result on disposal of investment properties	249	466
(+/-)	XVII. Result on disposal of other non-financial assets	0	0
(+/-)	XVIII. Changes in the Fair Value of investment properties	-7,349	-4,071
(+/-)	XIX. Other result on the portfolio	0	0
PORTFOLIO RESULT		-7,100	-3,605
OPERATING RESULT		4,830	8,120
(+)	XX. Financial income	0	10
(-)	XXI. Net interest costs	-2,851	-2,902
(-)	XXII. Other financial costs	-258	-100
(+/-)	XXIII. Changes in the Fair Value of financial assets and liabilities	-936	40
FINANCIAL RESULT		-4,045	-2,952
(+)	XXIV. Share in the result of associated corporations and joint ventures	0	0
RESULT BEFORE TAXES		785	5,169
(+/-)	XXV. Corporate tax	-145	-412
(+/-)	XXVI. Exit tax	0	0
TAXES		-145	-412
NET RESULT		641	4,756
ATTRIBUTABLE TO:			
	Shareholders of the group	608	4,766
	Minority interests	33	-10
COMPONENTS OF THE NET RESULT – GROUP SHAREHOLDERS:			
NET RESULT (GROUP SHARE)		608	4,766
Adjustment for result on portfolio		7,100	3,605
Adjustment for changes in the Fair Value of assets and liabilities		936	-40
Deferred taxes relating to EPRA changes		-44	0
EPRA RESULTAAT*		8,600	8,332

* EPRA earnings = Net result (group share) excluding the portfolio result and the changes in the Fair Value of the non-effective hedges and EPRA changes relating to deferred taxes.

B. STATEMENT OF OTHER COMPREHENSIVE INCOME

Figures in thousands EUR		31/12/2018	31/12/2017
I. NET RESULT		641	4,756
II. OTHER ELEMENTS OF THE GLOBAL RESULT RECYCLABLE IN PROFIT-AND-LOSS STATEMENT		0	0
(+/-)	B. Variations on the effective part of the Fair Value of allowed hedges of the cash flow as defined in IFRS	0	0
OVERALL RESULT		641	4,756

TOEREKENBAAR AAN:

Shareholders of the group	608	4,766
Minority interests	33	-10

II. RESULT PER SHARE

Figures in EUR		31/12/2018	31/12/2017
Number of ordinary shares in circulation at the end of the period		5,665,822	5,665,822
Weighted average number of shares during the period		5,665,822	5,224,997
NET RESULT PER ORDINARY SHARE (GROUP SHARE) (IN EUR)		0.11	0.91
DILUTED NET RESULT PER SHARE – GROUP SHARE (IN EUR)		0.11	0.91

III. CONSOLIDATED BALANCE SHEET

A. ASSETS

Figures in thousands EUR		31/12/2018	31/12/2017
I. FIXED ASSETS		271,825	287,452
A	Goodwill	0	0
B	Intangible fixed assets	0	0
C	Property investments	271,794	287,404
D	Other tangible fixed assets	32	49
E	Financial fixed assets	0	0
F	Financial leasing receivables	0	0
G	Trade receivables and other fixed assets	0	0
H	Deferred taxes - assets	0	0
I	Investments in associated corporations and joint ventures – changes in equity	0	0
II. CURRENT ASSETS		3,871	3,870
A	Assets intended for sale	0	0
B	Current financial assets	0	0
C	Finance leasing receivables	0	0
D	Trade receivables	372	629
E	Tax receivables and other current assets	1,126	513
F	Cash and cash equivalents	2,180	2,577
G	Accruals – assets	192	152
TOTAL ASSETS		275,696	291,322

B. LIABILITIES

Figures in duizenden EUR		31/12/2018	31/12/2017
SHAREHOLDERS EQUITY		129,572	134,978
I.	Equity capital attributable to the shareholders of the parent company	129,272	134,710
A	Capital	131,572	131,572
	a. Subscribed capital	131,724	131,724
	b. Costs of capital increases	-152	-152
B	Issue premiums	1,496	1,496
C	Reserves	-4,405	-3,124
D	Net result for the financial year	608	4,766
II.	Minority interests	300	267
LIABILITIES		146,124	156,344
I.	Non-current liabilities	130,781	126,456
A	Provisions	0	0
B	Non-current financial debts	128,928	124,434
	a. Credit institutions	128,928	124,434
	b. Financial leasing	0	0
	c. Other	0	0
C	Other non-current financial liabilities	1,567	1,639
D	Trade debts and other non-current debts	0	0
E	Other non-current liabilities	105	113
F	Deferred taxes – liabilities	181	270
	a. Exit tax	0	0
	b. Other	181	270

II.	Short-term liabilities	15,343	29,888
A	Provisions	0	0
B	Short-term financial debts	12,000	24,994
	a. Credit institutions	0	0
	b. Financial Leasing	0	0
	c. Other	0	0
C	Other short-term financial liabilities	0	174
D	Trade debts and other short-term debts	1,325	2,640
	a. Exit tax	0	0
	b. Other	1,325	2,640
E	Other short-term liabilities	1,324	1,327
F	Accruals - liabilities	694	753
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		275,696	291,322

IV. CONSOLIDATED CASH FLOW STATEMENT

Figures in thousands EUR	31/12/2018	31/12/2017
CASH AND CASH EQUIVALENTS AT START OF PERIOD	2,577	7,005
1. CASH FLOW FROM BUSINESS ACTIVITIES	7,448	1,115
Net result	640	4,756
Unpaid interests and bank charges	135	103
Adjustment of the result for non cash-flow transactions	7,739	4,504
- Depreciation of activated financing costs	33	34
- Depreciation of intangible and other material fixed assets	22	23
- Result of the sale of real estate investments	-250	-467
- Increase/decrease of the provisions (+/-)	-47	883
- Variation in the Fair Value of real estate investments and development property	7,348	4,071
- Variation in the Fair Value of financial assets and liabilities	633	-40
Variations in the working capital requirement:	-1,068	-8,248
Movement of assets:	409	0
- Trade receivables	257	31
- Tax receivables and other current assets	192	14
- Accruals	-40	-45
Movement of liabilities:	-1,476	-8,248
- Other short-term financial liabilities	0	0
- Provisions	0	0
- Other non-current liabilities	-9	33
- Deferred taxes – liabilities	0	0
- Trade debts and other short-term debts	-942	-8,280
- Other short-term liabilities (incl. tax debts)	-3	0
- Accruals	-522	0
2. CASH-FLOW FROM INVESTMENT ACTIVITIES	7,613	-28,982
Acquisitions of intangible and other tangible fixed assets	-5	-46
Acquisitions of real estate	0	-32,980
Investments in existing real estate investments	-82	-1,573
Income from the sale of real estate investments	7,700	5,617
3. KASSTROOM UIT FINANCIERINGSACTIVITEITEN	-15,458	23,439
Repayment of loans	-55,500	-6,500
Drawdown of loans	47,000	36,000
Costs related to capital increase	0	-41
Payment of dividends	-6,925	-6,007
Payment of transaction costs	-33	-13
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,180	2,577



ENSCHEDÉ - KALANDERSTRAAT 2

APPENDIX 2: ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority (ESMA) has published regulations that are applicable since the 3rd of July 2016 for the use and explanation of alternative performance measures.

Alternative performance measures are measures used by Qrf City Retail in presenting its financial results that are not defined by law or in the International Financial Reporting Standards (IFRS).

Below, there is an overview of the alternative performance measures that are used in this press release and their reconciliation.

EPRA NAV: Net Asset Value according to the Best Practice Recommendations of EPRA.

Definition: This is the Net Asset Value adjusted to include properties and other investment interests at Fair Value and to exclude certain items not expected to crystallize in a long-term investment property business model.

Objective: This APM shows the Net Asset Value for a long-term investment strategy.

For the reconciliation of this APM, reference is made to the reconciliation table EPRA NAV per share.

EPRA NAV per share: Net Asset Value per share according to the EPRA Best Practices Recommendations.

Definition: Net Asset Value adjusted to include properties and other investment interests at Fair Value and to exclude certain items not expected to crystallize in a long-term investment property business model.

Objective: This APM shows the Net Asset Value per share for a long-term investment strategy.

Reconciliation:

Figures in thousands EUR		31/12/2018	31/12/2017
IFRS NAV (GROUP SHAREHOLDERS)		129,272	134,710
(iv)	Fair Value of financial instruments	1,567	1,813
(v.a)	Deferred tax	181	270
	Minority interests with regards to deferred tax	-89	-132
EPRA NAV		130,931	136,661
	Number of shares	5,665,822	5,665,822
EPRA NAV PER SHARE (IN EUR)		23.11	24.12

EPRA earnings:

Definition: Net result (group share) with the exclusion of the portfolio result and changes in the Fair Value of non-effective interest rate hedges. This term is used in accordance with the EPRA Best Practices Recommendations.

Objective: This APM measures the underlying operational results of the company, with the exclusion of the result arising out of fluctuations in the value of assets and liabilities and capital gains and losses from the sale of investment properties.

Reconciliation:

Figures in thousands EUR		31/12/2018	31/12/2017
IFRS RESULT (GROUP SHAREHOLDERS)		608	4,766
(i)	Changes in the Fair Value of real estate investments	7,349	4,071
(ii)	Profit or loss on the sale of real estate investments	-249	-466
(vi)	Changes in the Fair Value of financial instruments	936	-40
(viii)	Deferred taxes relating to EPRA changes	-44	0
EPRA EARNINGS		8,600	8,332
Weighted average number of shares		5,665,822	5,224,977
EPRA EARNINGS PER SHARE (IN EUR)		1.52	1.59

Average Cost of Financing:

Definition: This is the Average Cost of Financing of the financial debts, calculated by dividing the "net interest costs" on an annual basis by the average amount of outstanding financial debts during the period.

Objective: The Company's activities are partially financed by incurring debt. This APM measures the Average Cost of Financing of such debts.

Reconciliation:

Figures in thousands EUR		31/12/2018	31/12/2017
XXI. NET INTEREST COSTS		2,851	2,902
Weighted average amount of financial debt during the period		149,521	140,464
AVERAGE FINANCING COST		1.91%	2.07%

Operating margin:

Definition: This APM measures the operating profitability of the company as a percentage of the rental income and is calculated by dividing "Operating result before the result on the portfolio" by the "Net rental income".

Objective: This APM measures the operating profitability of the company.

Reconciliation:

Figures in thousands EUR	31/12/2018	31/12/2017
Operating result before the result on the portfolio	11,930	11,726
Net rental income	15,441	14,940
OPERATING MARGIN	77.26%	78.49%

ABOUT QRF CITY RETAIL

Qrf City Retail is a listed Belgian REIT (BE-REIT) specialising in the niche market of retail properties in Belgium and the Netherlands. More specifically, the company focuses on the acquisition, development and leasing of centrally located city premises, within areas known as the “Golden Mile” – inner-city streets with major catchment areas. On 31 December 2018, the real estate portfolio consisted of 52 retail properties with a total Fair Value of more than 271 MEUR.

Qrf City Retail has been listed on Euronext Brussels (QRF:BB) since December 2013. On 31 December 2018, the company's market capitalisation amounted to 78 MEUR.

COMPANY INFORMATION

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Caution regarding forward-looking statements

This press release contains forward-looking statements involving risks and uncertainties, including statements regarding Qrf City Retail's plans, targets, expectations and intentions. Readers are reminded that such forward-looking statements involve known and unknown risks and are subject to major corporate, economic and competitive uncertainties to a large extent outside the control of Qrf City Retail. Should one or more of these risks or uncertainties materialise, or should assumptions used prove incorrect, the final results could substantially vary from those anticipated, expected, estimated or projected. Qrf City Retail consequently assumes no responsibility for the accuracy of these forecasts.



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