



Qrf further improves its risk profile

HALF-YEARLY FINANCIAL REPORT 2020

3 August 2020 – 17:40
Regulated information

Summary of first half of 2020

3.41 MEUR

EPRA profit for H1 2020 will decrease by 26.12% compared to H1 2019 to 3.41 MEUR. The EPRA earnings per share amount to 0.48 EUR. The impact of the conditional lease remission as a result of COVID-19 amounts to 0.12 EUR on the EPRA earnings per share. The recurring EPRA earnings per share are therefore 0.60 EUR.

869 KEUR

COVID-19 impact on the realized rental income of H1 2020 amounts to 869 KEUR, which corresponds to a loss of 7.46% of the budgeted rental income for 2020. Qrf has agreed on a remission with the majority of its affected Tenants month rent.

16.93 EUR

The **EPRA NAV per share** amounts to 16.93 EUR (down 6.82% from 31 December 2019), IFRS NAV to 16.65 EUR (down 6.95% from 31 December 2019).

47.62%

Debt ratio of 47.62% on June 30, 2020. The debt ratio decreased compared to the end of 2019 (48.73%) and was further reduced after June 30th to 46.25% with the proceeds from sales realized after the balance sheet date.

223.88 MEUR

Fair value of the portfolio on 30 June 2020 of MEUR 223.88, of which 198.15 MEUR (88.51%) Core locations and 25.70 MEUR (11.49%) Non-Core locations. In addition, Qrf holds 5.46 MEUR as a financial participation in a joint venture for the redevelopment of Bondgenotenlaan in Leuven.

7.11 MEUR

Sale of two Non-Core locations for net proceeds of 7.11 MEUR (capital gain of 10.92% on the Fair value), of which the sale of the first part of the location in Wilrijk was executed before 30/06 for net proceeds of 3.35 MEUR. After balance sheet date, the sale of a commercial property let to Casa in Hasselt, as well as the sale of the second part of the location in Wilrijk, together for a total amount of 3.76 MEUR, was finalized

Start-up JV between Qrf & Dyls NV

The **Joint Venture** between Qrf and Dyls NV for the joint redevelopment of Bondgenotenlaan 58 in Leuven into 110 student residences and 5,000 m² retail was started on June 24, 2020. The start of the Joint Venture between Qrf and Baltisse for the joint redevelopment of the Century Center is expected in Q4 2020. Development projects will amount to 10% of real estate assets by the end of 2020 and will have a higher expected return than current rental return on the portfolio.

0.80 EUR

Qrf confirms the gross **dividend forecast** of EUR 0.80 per share, taking into account the significant reduction in the risk profile since the end of 2018 and the results already achieved on 30/06. If the expected rental income in the second half of the year is substantially lower as a result of an additional negative impact of COVID-19, Qrf will evaluate the effect of this on the dividend.

Summary of first half of 2020

The global health and economic crisis caused by the COVID-19 virus has created an unseen situation, with a substantial impact on daily life in Belgium and the Netherlands, countries where Qrf is active. Controlling and navigating the impact of this crisis on Qrf and its Tenants naturally had a major impact on the first half of the year.

In addition to managing the impact of the COVID-19 crisis, the emphasis in the first half of the year was placed on the priorities introduced in 2019. During the crisis, the company further reduced its risk profile:

Controlling the COVID-19 impact in consultation with Tenants by linking partial lease remission to an extension of the lease term

As a property owner focused on consumers through retailers and operators of catering and leisure activities, this crisis has tested our consultation model with tenants.

83% of the monthly rental income, or 86 rental contracts out of a total of 116, relate to Tenants who have been affected by the COVID-19 measures. The total budgeted rental income during the closing period amounted to 2.14 MEUR, of which 1.77 MEUR is due from affected tenants.

After the lock-down has been lifted, Qrf has conducted commercial discussions with its affected Tenants about a possible remission of part of the rent owed for the period of compulsory closing. A remission of half of the rent due during the mandatory closing period is considered best practice in the market and was also used as an objective by Qrf.

For the majority of the rental contracts affected (excluding development projects), additional conditions were imposed with regard to the remission of part of the rent payments owed. The remission is regarded as a deferred payment obligation that only becomes final when the Commercial Lease Agreement is in effect and unchanged on the first day of the next three-year period, and therefore the tenant does not exercise the following break option.

The total impact on the rental result for the first half of this partial and conditional remission is 869 KEUR. On an annual basis, this concerns 7.46% of the total budgeted rental income for 2020.

In addition, the COVID-19 crisis also has a negative impact on the value of the real estate portfolio, amounting to 6.40 MEUR as at 30/06¹. This represents a relative decrease of 2.54% compared to December 31, 2019:

- On the Non-Core properties, 0.77 MEUR was impaired, which is a decrease of 2.49% compared to the Fair Value of the Non-Core portfolio as of 31/12/2019.
- On the Core properties, 5.63 MEUR was written down, which is a decrease of 2.55% compared to the Fair Value of the Core portfolio as at 31/12/2019.

Continuation of an active sales program of Non-Core properties

In 2020, two locations were sold to date for a net result of 7.11 MEUR, which represents a capital gain of 0.70 MEUR (or 10.92%) on the most recent Fair Value means.

Boomsesteenweg 935-937 in Wilrijk was sold for a total net result of 3.35 MEUR, including a capital gain of 22.67% on the last Fair Value as at 31/03/2020. This asset is leased to Troc and Tom & Co.

Two sales were finalized after balance sheet date for net proceeds of 3.76 MEUR. It concerns the second part of the site at Boomsesteenweg in Wilrijk (rented to Vanden Borre) and a shop located at 60 Koning Albertstraat in Hasselt (rented to Casa). These two sales were realized with a capital gain of 2.20% above the Fair Value at 30/06/2020.

The sale of the Boomsesteenweg site in Wilrijk (which previously formed a whole, but was sold in two parts) was already announced in the 2019 annual report. The sale in Hasselt, from offer to deed, was realized during the COVID-19 period and concerns so an unprecedented sale.

Joint Venture initiatives for the redevelopment into mixed-use projects will make up 10% of Qrf's total assets by the end of 2020

Earlier this year, Qrf announced a conditional agreement with Dyls NV for the joint redevelopment of the entire Bondgenotenlaan 58 site in Leuven into 110 student residences and 5,000 m² retail, with a commitment to sell the student residences. Qrf has a pre-emption right, but no obligation, to purchase the retail units.

This agreement valued the property at 18.2 MEUR, which means a limited discount (2.2%) on the Fair Value as at 31/03.

¹ Together with the capitalized costs on the premises of 0.39 MEUR, the total write-down as at 30/06/2020 is 6.79 MEUR.

The project company was established on 24 June 2020 and the joint venture was formed. Qrf received 12.74 MEUR cash for the sale of 70% of the shares and therefore retains 30% of the shares in the project company, for a value of 5.46 MEUR. The cash received was used in its entirety for further deleveraging, which further strengthens Qrf's balance sheet.

The works are scheduled to start in the third quarter of this year, with expected delivery of the retail units in the second quarter of 2022 and student residences in the autumn of 2023.

The Joint Venture with Baltisse for the redevelopment of the Century Center will be formally formed in Q4 2020. Qrf will hold 30% in the joint venture at the time of contribution (worth 19.2 MEUR) and will receive a cash amount of 7.6 MEUR in addition.

As a result, by the end of 2020, Qrf will hold 24.66 MEUR shares in joint venture companies. With an unchanged property portfolio, the participations will therefore represent 10% of Qrf's real estate assets at the end of 2020.

The expected contractual rents at the end of 2020 will decrease by 1.42 EUR as a result of the planned start-up of the Century Center joint venture.

However, Qrf expects an annual return (IRR) on both projects that is higher than the existing rental return. Given that these are development projects, this annual return will not be reflected in the EPRA figures during the years of development, and the return on sale of both projects will be realized.

Improved operating margin due to a decrease in real estate costs, due to the internalisation of property management, combined with a decrease in the general costs of the company

Real estate costs for the first half of 2020 are 55.60% or 320 KEUR lower than in the first half of 2019. This saving is mainly due to the internalization of real estate management for the Belgian real estate portfolio. Two employees were hired for this purpose who supervise the technical management and financial follow-up of rent collection. Before January 1, 2020, these tasks were outsourced to the Quares group.

The company's general costs decreased by 24.81% compared to the same costs in the first half of 2019. This saving is due to better cost control, as well as a more efficient allocation of time and resources.

Outlook, without potential additional impact of COVID-19 in the second half of the year, confirms previously forecasted dividend

The course of the second half of the year is extremely uncertain due to possible flare-ups of the COVID-19 virus in Belgium and the Netherlands and the introduction of restrictive measures for retailers, catering and leisure activities.

Under normal circumstances, the priority for Qrf in the second half of the year is to further optimize the existing real estate portfolio and to look at new investment opportunities.

Taking into account the significant reduction in the risk profile since the end of 2018 and the results already achieved as of 30/06, the previously set dividend expectation of 0.80 EUR will remain the objective.

If the expected rental income in the second half of the year turns out to be substantially lower due to an additional negative impact of COVID-19, Qrf will evaluate the effect of this on the dividend.

Consolidated key figures

The first half of 2019 relates to the period running from 1 January 2020 to 30 June 2020.

CONSOLIDATED KEY FIGURES

REAL ESTATE PORTFOLIO

		30/06/2020	31/12/2019
Fair Value of the real estate portfolio ²	(KEUR)	223,885	251,654
Total gross surface area	(m ²)	81,786	84,054
Contractual Rents on an annual basis ³	(KEUR)	13,151	14,253
Estimated Rental Value of vacant property	(KEUR)	642	840
Gross portfolio yield ⁴		5.87%	5.66%
Occupancy rate ⁵		98.02%	97.32%

BALANCE SHEET

		30/06/2020	31/12/2019
Shareholders' equity (excl. minority interests)	(KEUR)	119,085	128,032
Debt ratio (under the RREC Act) ⁶		47.62%	48.73%

CONSOLIDATED PROFIT-AND-LOSS ACCOUNT

		30/06/2020	30/06/2019
Net rental income	(KEUR)	5,685	7,771
Operating result before result on the portfolio	(KEUR)	4,632	6,032
Operating margin ⁷		80.41%	77.63%
Portfolio result	(KEUR)	-6,744	-23,815
Financial result	(KEUR)	-1,036	-2,745
Taxes	(KEUR)	0	-27
Net result (group share)	(KEUR)	-3,142	-20,549
Adjustment for portfolio result	(KEUR)	6,744	23,815
Adjustment for changes in the Fair Value of the financial assets and liabilities (non-effective interest rate hedging)	(KEUR)	-192	1,349
EPRA earnings ⁸	(KEUR)	3,409	4,614

2 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.

3 Contractual Rents on an annual basis = The index-adjusted base rental prices as contractually set in the rental contract before the deduction of gratuities or other incentives allowed to the tenant.

4 Gross portfolio yield = (Contractual Rents on an annual basis)/(Fair Value of the real estate portfolio).

5 Occupancy rate = (Contractual Rents on an annual basis)/(Contractual Rents on an annual basis including the Estimated Rental Value of vacant property).

6 Calculated according to the R.D. of 13 July 2014 pursuant to the Regulated Real Estate Companies Act of 12 May 2014.

7 Operating margin = (Operating result before result on the portfolio)/(Net rental income).

8 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 Practices Recommendations* of the EPRA.

CONSOLIDATED KEY FIGURES

KEY FIGURES PER SHARE

		30/06/2020	30/06/2019
Total number of shares outstanding at the end of period		7,153,322	7,153,322
Weighted average number of shares ⁹		7,153,322	6,906,775
Net result per share	(EUR)	-0.44	-2.98
EPRA earnings per share	(EUR)	0.48	0.67
Closing price of the share at the end of period	(EUR)	11.30	14.85
IFRS NAV per share ¹⁰	(EUR)	16.65	17.89
Premium/discount to IFRS NAV ¹¹ (end of period)		-32.10%	-17.01%
EPRA NAV per share ¹²	(EUR)	16.93	18.29
Premium/discount to EPRA NAV ¹³ (end of period)		-33.30%	-18.80%

9 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.

10 IFRS NAV per share = Net Asset Value per share according to IFRS.

11 Premium/Discount to IFRS NAV = [(Closing price of the share at the end of the period)/(IFRS NAV per share at the end of the period) -1].

12 EPRA NAV per share = Net Asset Value per share according to EPRA *Best Practice Recommendations*.

13 Premium/Discount to EPRA NAV = [(Closing price of the share at the end of the period)/(EPRA NAV per share at the end of the period) -1].

Table of Contents

1	Notes to the consolidated results for the first half-year of 2020	11
2	Transactions and achievements	18
3	Qrf on the stock exchange	23
4	Real estate report	28
5	Consolidated condensed financial statements for the first half of 2020	36
6	APM – Alternative performance measures	59
7	Lexicon	64

1

Notes to the consolidated results for the first half-year of 2020

1.1 RESULTS	13
1.2 BALANCE	15
1.3 FINANCIAL STRUCTURE	15
1.3.1 Composition of the debts	15



Ghent
Lange Munt 61-63
Belgium

1 Notes to the consolidated results for the first half-year of 2020

1.1 RESULTS

The **net rental result** fell on June 30, 2020 to 5.76 MEUR compared to 7.77 MEUR (30 June 2019).

The recurring decrease in rental income, amounting to (-1.23 MEUR), is mainly the result of the disposals realized in 2019 (-0.38 MEUR) and decreased like-for-like rental income on the H&M properties, entry into force of the global agreement for the locations leased by them (-0.58 MEUR). Other like-for-like rental income decreased by 0.27 MEUR compared to 30 June 2019, of which 0.06 MEUR are one-off rental incentives.

In addition, the impact of COVID-19 is also visible in the Net rental result, amounting to 0.79 MEUR of the total decrease.

After the lock-down has been lifted, Qrf has conducted commercial discussions with its affected Tenants about a possible remission of part of the rent owed for the period of compulsory closing. A remission of half of the rent due during the mandatory closing period is considered best practice in the market and was also used as an objective by Qrf.

For the majority of the rental contracts affected (excluding development projects), additional conditions were set with regard to the remission of part of the rent owed. The remission is regarded as a deferred payment obligation that only becomes final when the Commercial Lease Agreement is unchanged on the first day of the next three-year period, and therefore the tenant does not exercise the following contractual break option.

The total impact on the rental result for the first half of this partial and conditional remission is 869 KEUR. On an annual basis this represents 7.46% of the total budgeted rental income for 2020.

The **operating result before the result on the portfolio** amounts to 4.63 MEUR over the first half of 2020, a decrease of 23.22% compared to the first half of the year, from 2019 (6.03 MEUR). The **operating margin** increases to 80.41% thanks to stricter cost management and the internalization of real estate management.

The **portfolio result** for the first half of 2020 amounts to -6.74 MEUR and consists of:

- a positive **result on the sale of investment property** amounting to 0.46 MEUR realized on the sale of the first part of the site in Wilrijk (+616 KEUR) and the start-up of the joint venture for the redevelopment project in Leuven (-570 KEUR); and
- negative **variations in the Fair Value of the investment properties** for an amount of -6.79 MEUR.

These negative variations in the Fair Value of the investment properties can be broken down into:

- a negative evolution of the Fair Value of the existing portfolio in Belgium (-5.43 MEUR);
- a negative evolution of the Fair Value of the existing portfolio in the Netherlands (-1.11 MEUR).

The **financial result** amounts to -1.03 MEUR for the first half of 2020. The main components of the financial result are:

- **net interest costs** that decreased from 1.32 MEUR in the first half of 2019 to 1.08 MEUR over the first half year of 2020. This decrease can be attributed to the lower take-up of the credit lines thanks to the repayment of debt with the released cash from the divestments. The **average financing cost** of Qrf decreased to 1.73% in the first half of 2020 (compared to 1.89% in the first half of 2019). This decrease is mainly due to the increased relative weight of Commercial Paper over the first 6 months of 2020 compared to 2019;
- a positive **variation in the Fair Value of the financial assets and liabilities** of 0.19 MEUR recorded in the income statement.

The **Net result (group share)** came to -3.14 MEUR, or -0.44 EUR per share.

After adjusting for the portfolio result and the variation in the Fair Value of financial assets and liabilities, Qrf recorded an **EPRA result** for the first half of 2020 of 3.41 MEUR, or a decrease of 26.12% compared to the first half from 2019 (4.62 MEUR).

On the one hand, the decrease in the EPRA result (-1.21 MEUR) is mainly due to the necessary actions taken in 2019 that will take full effect in 2020 (-1.25 MEUR), as well as the impact of the COVID-19 crisis (-0.87 MEUR). On the other hand there is a positive effect of better management of the variable costs (+0.58 MEUR) and a saving on interest costs of (+0.25 MEUR).

The **EPRA earnings per share** amount to 0.48 EUR. The aforementioned impact of the COVID-19 conditional lease remission has an impact of 0.12 EUR on EPRA earnings per share. The recurring EPRA earnings per share are therefore 0.60 EUR.

1.2 BALANCE

The **Fair Value of the real estate portfolio** including assets held for sale amounts to 223.88 MEUR on 30 June 2020 (compared to 251.65 MEUR on 31 December 2019):

- on 31 December 2019 the Fair value of the real estate portfolio was 251.65 MEUR;
- during the first half of 2020, on the one hand, the first part of the site in Wilrijk was sold (2.73 MEUR fair value) and the site in Leuven was contributed to a project company (18.64 MEUR), of which Qrf holds 30% as financial fixed asset;
- on June 30, 2019, a write-down of 6.40 MEUR¹ was booked, bringing the fair value of the portfolio to 223.88 MEUR.

The **gross rental yield** of the portfolio was 5.87%, an increase from the 5.66% at the end of 2019.

Shareholders' equity (IFRS), ie excluding minority interests, fell by 6.99% to 128.03 MEUR on December 31, 2019 to 119.09 MEUR June 30, 2020.

The **IFRS NAV per share** fell by 6.96% to 17.90 EUR on December 31, 2019 to 16.65 EUR on 30 June 2020. The **EPRA NAV per share** fell over the same period by 6.82% from 18.17 EUR to 16.93 EUR.

The **Debt ratio** falls from 48.73% on 31 December 2019 to 47.62% on 30 June 2020.

1.3 FINANCIAL STRUCTURE

1.3.1 Composition of the debts

On 30 June 2020, Qrf has 109.5 MEUR financial debts consisting of:

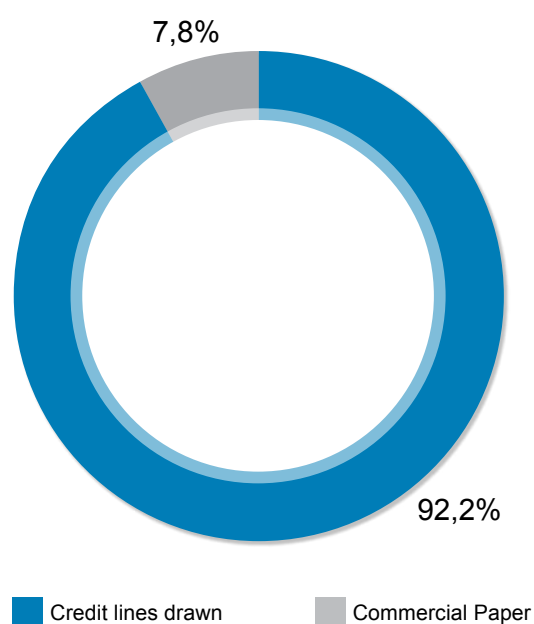
- **Bilateral credit lines** for an amount from 101 MEUR. The drawn bilateral credit lines have been concluded with 7 different financial institutions with well-spread maturities between 2020 and 2026. The weighted average remaining term to maturity is 3.2 years.
- **Commercial paper** for an amount of 8.5 MEUR. The full amount of outstanding short-term treasury bills is covered by available long-term credit lines (back-up lines).

¹ Incl. the write-down of the capitalized costs is the write-down of 6.79 MEUR.

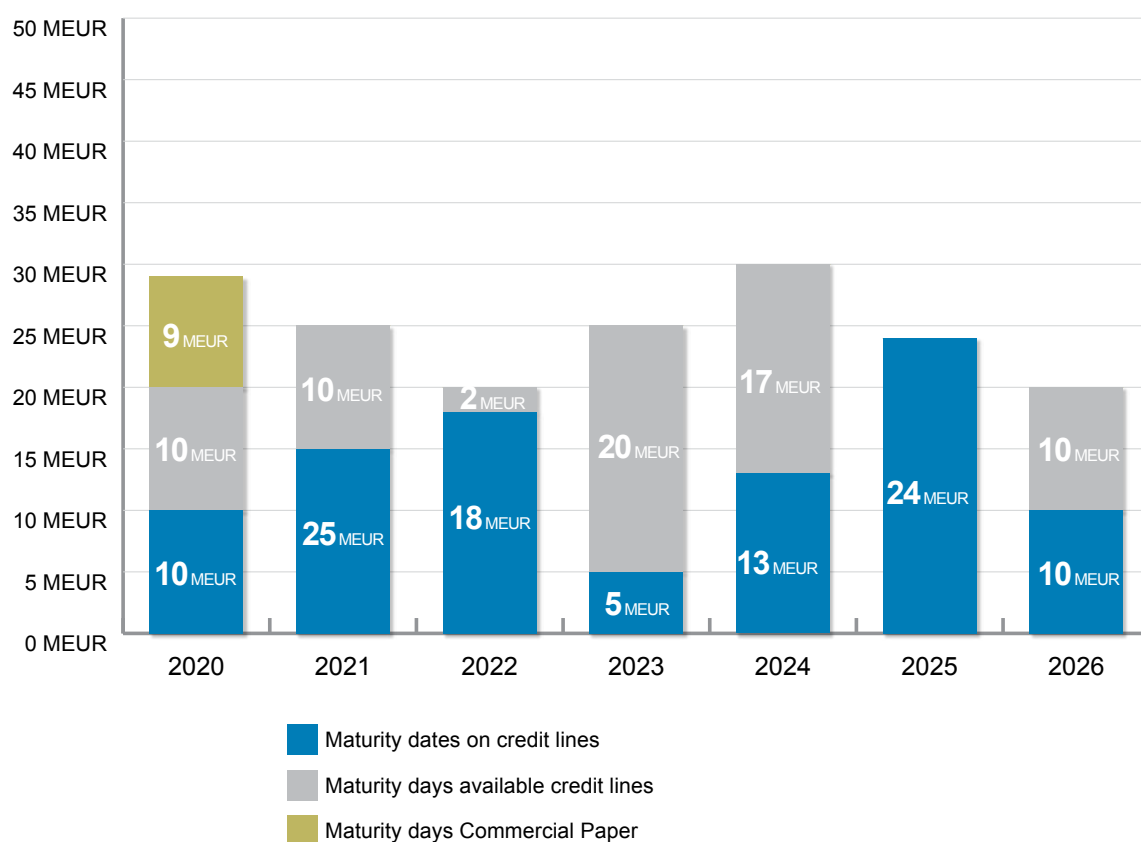
On June 30, 2020, Qrf has 164 MEUR credit lines. The undrawn part of the available credit lines amounts to 63 MEUR, of which 14 MEUR to cover the Commercial paper program.

The Average Financing Cost was 1.73% in the first half of 2020 (compared to 1.89% in the first half of 2019). This decrease is mainly due to the increased relative weight of Commercial Paper over the first 6 months of 2020 compared to 2019.

GRAPH 1 COMPOSITION OF THE FINANCIAL DEBTS AS OF 30 JUNE 2020



GRAPH 2 MATURITY DAYS OF DRAWN AND UNDRAWN CREDIT LINES AND COMMERCIAL PAPER ON JUNE 30, 2020 (IN MEUR)



2 Transactions and achievements

2.1 ACQUISITIONS, DIVESTMENTS AND OTHER ACTIVITIES	20
2.1.1 Acquisitions and divestments	20
2.1.2 Redevelopments	20
2.1.3 Letting activities	21
2.2 OUTLOOK 2020	22



Zwolle
Diezerstraat 60
The Netherlands

2 Transactions and achievements

2.1 ACQUISITIONS, DIVESTMENTS AND OTHER ACTIVITIES

2.1.1 Acquisitions and divestments

In the first half of the year Qrf completed the divestment of two properties. On the one hand it concerns the sale of the first part of a site in Wilrijk, leased to Troc.com and Tom & Co. The net sales price amounted to 3.35 MEUR, which represents a capital gain of 22.67% on the Fair Value as at 31/03/2020.

Secondly, the start-up of the Joint Venture in Leuven, Bondgenotenlaan (see point 2.1.2) was formed.

Qrf did not make any acquisitions during the first half of the year.

2.1.2 Redevelopments

Earlier this year, Qrf announced a conditional agreement with Dyls NV for the joint redevelopment of the entire Bondgenotenlaan 58 site in Leuven into 110 student residences and 5,000 m² retail, with a commitment to sell the student residences. Qrf has a pre-emption right, but no obligation, to purchase the retail units.

This agreement values the real estate at 18.2 MEUR, which means a limited discount (2.2%) on the Fair Value as at 31/03.

The project company was established on 24 June 2020 and the joint venture was started. Qrf received 12.74 MEUR cash for the sale of 70% of the shares and therefore retains 30% of the shares in the project company, for a value of 5.46 MEUR. The cash received is currently being used in full for further deleveraging, which further strengthens Qrf's balance sheet. In addition, the reduced debt ratio Qrf allows to view new investment files.

As of June 25, 2020, the remaining rental income for the site (currently leased to Match, We Fashion and BPost), which amounts to 609 KEUR annually, will accrue to the joint venture. This transaction will have a negative impact on the EPRA result in the short term, but Qrf expects a development return that is higher than the existing rental return.

The works are scheduled to start in the third quarter of this year, with expected delivery of the retail units in the second quarter of 2022 and student residences in the autumn of 2023.

As regards the Joint Venture with Baltisse for the redevelopment of the Century Center will be contributed in Q4 2020. Qrf will hold 30% in the joint venture at the time of contribution (worth 19.2 MEUR) and will receive a cash amount of 7.6 MEUR in addition.

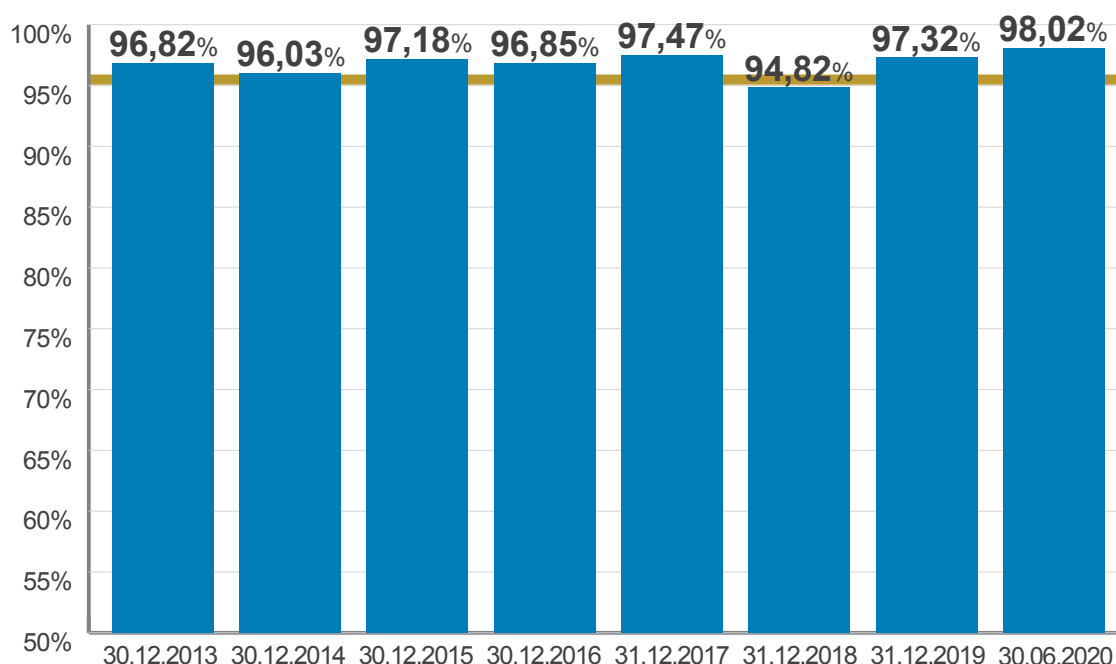
As a result, by the end of 2020, Qrf will hold 24.66 MEUR shares in joint venture companies. The participations in the joint venture companies are not part of the real estate portfolio and are regarded as financial fixed assets. With an unchanged real estate portfolio, the participations will therefore represent approximately 10% of Qrf's assets.

Qrf expects an annual return (IRR) on both projects that is higher than the average rental return on the real estate portfolio. However, given that these are development projects, this annual return will not be reflected in the EPRA figures during the years of development, and this return will be booked when both respective projects are realized.

2.1.3 Letting activities

Within its portfolio of 39 sites leased to more than 100 tenants, Qrf was able to maintain the Occupancy rate in the first half of 2020 and even increase it slightly. On June 30, 2020, the occupancy rate¹ of the portfolio was 98.02%, (compared to 97.32% on December 31, 2019).

GRAPH 1 EVOLUTION OCCUPANCY RATE



¹ Occupancy Rate = (Annual Contractual Rents) / (Annual Contractual Rents plus the Estimated Rental Value of vacant spaces).
The occupancy rate is calculated from 2018, excluding the two development projects (Leuven and Century Center).

2.2 OUTLOOK 2020

The course of the second half of the year is extremely uncertain due to possible flare-ups of the COVID-19 virus in Belgium and the Netherlands and the introduction of restrictive measures that affect retailers, catering and leisure activities.

Under normal circumstances, the priority for Qrf in the second half of the year is to further optimize the existing real estate portfolio and to look at new investment opportunities.

Taking into account the significant reduction in the risk profile since the end of 2018 and the results already achieved as of 30/06, the previously set dividend expectation of 0.80 EUR will remain the objective.

If the expected rental income in the second half of the year turns out to be substantially lower due to an additional negative impact of COVID-19, Qrf will evaluate the effect of this on the dividend.

3

Qrf on the stock exchange

3.1	THE QRF SHARE	25
3.2	PRICE OF THE SHARE AND TRADED VOLUME	26
3.3	SHAREHOLDING AS OF JUNE 30	27
3.4	FINANCIAL CALENDAR FOR 2020 AND 2021	27

America Today 43rd



Den Bosch

Hinthamerstraat 41-45

The Netherlands

3 Qrf on the stock exchange

3.1 THE QRF SHARE

Qrf offers private and institutional investors the opportunity to access a wide range of real estate assets in a diversified way, without having to worry about the management, which is carried out by professional teams.

The Qrf share (Euronext Brussels: QRF, ISIN code BE0974272040) has been listed on the continuous market of Euronext Brussels since 18 December 2013. Qrf is part of the Bel Small index.

On June 30, 2020, Qrf's share capital was represented by 7,153,322 fully paid-up shares. Each of these shares confers one voting right at the General Meeting. The shares have no nominal value. Neither Qrf nor any of its subsidiaries hold Qrf shares

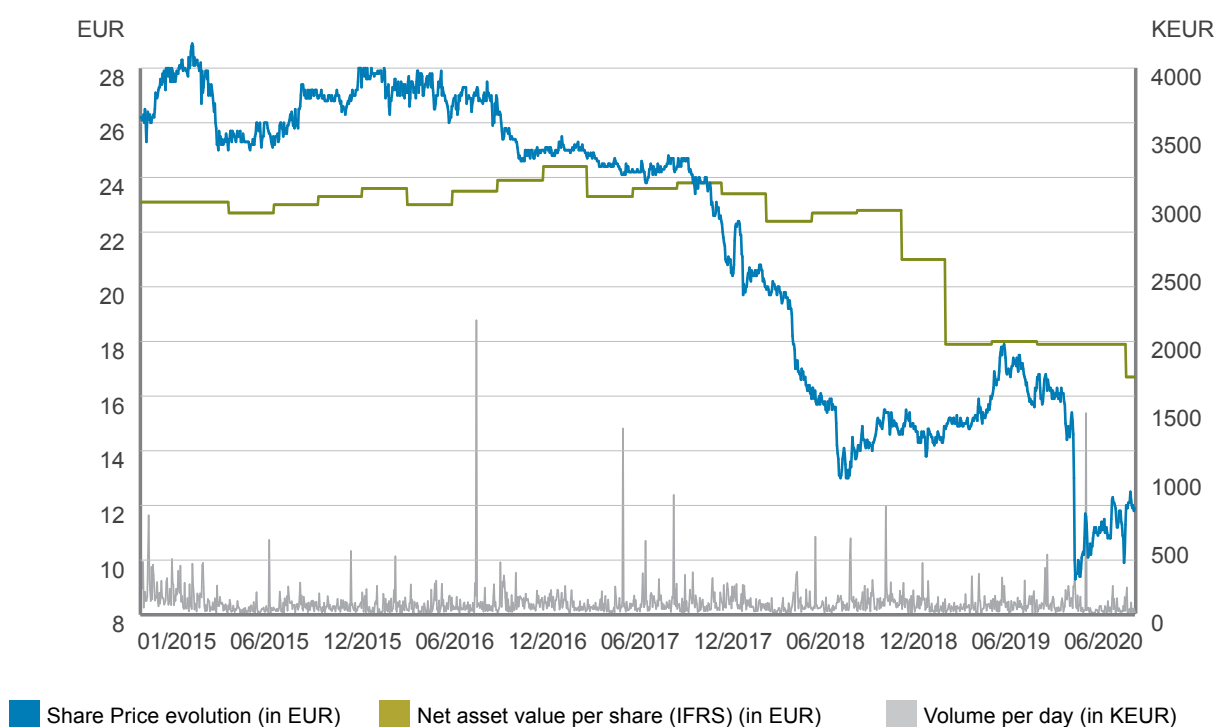


3.2 PRICE OF THE SHARE AND TRADED VOLUME

TABLE 1 OVERVIEW OF SHARE EVOLUTION QRF

	30/06/2020	30/06/2019
Number of shares in circulation at the end of the financial year	7,153,322	7,153,322
Registered shares	2,862,963	2,862,963
Dematerialized shares	4,290,359	4,290,359
Market capitalization at the end of the financial year (in EUR)	80,832,539	106,226,832
Free float ¹	62.8%	62.8%
Share price (in EUR)		
Highest	16.85	15.50
Lowest	9.22	13.80
At the end of the financial year	11.30	14.85
Average	12.94	14.66
Volume (in number of shares)		
Average daily volume	5,021	5,973

GRAPH 1 SHARE PRICE EVOLUTION



¹ Free float = [(Number of shares at the closing of the financial year) – (total number of shares held by parties that have made themselves known by means of a transparency declaration pursuant to the Act of 2 May 2007)]/[number of shares at the closing of the financial year].

3.3 SHAREHOLDING AS OF JUNE 30

By 2020 Qrf had 7,153,322 shares outstanding. Based on the transparency notifications received by Qrf, the shareholder structure is as follows:

TABLE 2 SHAREHOLDER STRUCTURE QRF ON 30 JUNE 2020

SHAREHOLDERS	SHARES	PERCENTAGE
AXA SA	633,680	8.9%
Vanmoerkerke family	2,025,978	28.3%
Free float	4,493,664	62.8%
TOTAL	7,153,322	100.0%

3.4 FINANCIAL CALENDAR FOR 2020 AND 2021

TABLE 3 FINANCIAL CALENDAR QRF

	DATUM
Publication update 3rd quarter 2020	04/11/2020
Publication press release annual results 2020	26/02/2021
Publication update 1st quarter 2021	03/05/2021
General Meeting of shareholders	18/05/2021
Dividend 2021 - Ex date	19/05/2021
Dividend 2021 - Record date	20/05/2021
Dividend 2021 - Payment date	21/05/2021
Publication of half-year results and semi-annual report 2021	30/07/2021
Publication update 3rd quarter 2021	29/11/2021

For possible changes to the agenda, please refer to the “financial calendar” on the website <http://investor.qrf.be>. Any changes will also be announced by press release.



4 Real estate report

4.1 DISCUSSION OF THE CONSOLIDATED REAL ESTATE PORTFOLIO ON JUNE 30, 2020	30
4.2 CONCLUSIONS OF THE REAL ESTATE EXPERT	34



Hasselt

Demerstraat 21-25

Belgium

4 Real estate report

4.1 DISCUSSION OF THE CONSOLIDATED REAL ESTATE PORTFOLIO ON JUNE 30, 2020

On June 30, 2020, the consolidated real estate portfolio consisted of 39 sites with a total gross surface area of 81,786 m² and a Fair Value of 223.88 MEUR. The portfolio generates 13.15 MEUR Contractual Rents on an annual basis, of which 11.76 MEUR in Belgium and 1.41 MEUR in the Netherlands.

Expressed in Fair Value, on 30 June 2020, 88% of the portfolio was located in Belgium and 12% in the Netherlands.

The gross rental yield based on the Contractual Rents amounts to 5.87% as of June 30, 2020.

The portfolio is divided into a Core and Non-Core portfolio based on the attractiveness of the city (demographics, tourism, etc), the positioning within the shopping area and the quality of the property for tenants.

TABLE 1 SUMMARY CORE AND NON-CORE PORTFOLIO

PORTFOLIO	NUMBER OF SITES	FV 30/06/2020	ERV 30/06/2020	CONTRACTUAL RENTS	GROSS RENTAL YIELD BASED ON CONTRACTUAL RENTS
Core	26	196,493,571	10,800,541	11,179,821	5.69%
Non-Core	13	27,390,000	1,854,830	1,971,439	7.20%
TOTAL	39	223,883,571	12,655,371	13,151,260	5.87%

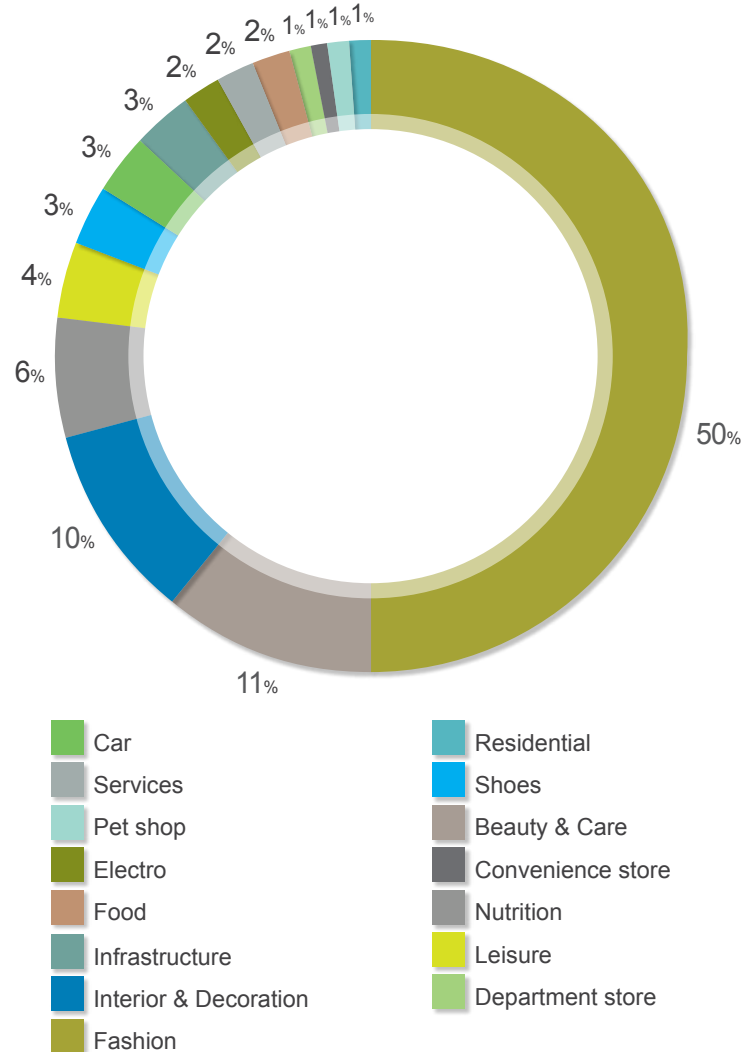
TABLE 2 OVERVIEW CORE AND NON-CORE PORTFOLIO BY LOCATION

CORE PORTFOLIO	NON-CORE PORTFOLIO
Aalst - Nieuwstraat 29 - 31 – 33	Dendermonde - Oude Vest 19-37
Antwerp - Century Center	Hasselt - Koning Albertstraat 60 (1)
Antwerp - Kammenstraat 34	Liège - Rue de la Cathédrale 79-83
Antwerp - Meir 107	Liège - Rue de la Cathédrale 87-93
Antwerp - Meirbrug 2 / Schoenmarkt 22	Mechelen - Graaf van Egmontstraat 10
Antwerp - Schuttershofstraat 53	Namur - Rue de Fer 10
Antwerp - Wiegstraat 4	Ostend - Kapellestraat 105
Antwerp - Wiegstraat 6	Oudenaarde - Nederstraat 43/45
Boncelles - Route du Condroz 42-44	Sint Niklaas - Stationsstraat 33
Ghent - Langemunt 61-63	Sint-Truiden - Luikerstraat 49-51
Hasselt - Demerstraat 21-25	Tongeren - Maastrichterstraat 20a-20b
Hasselt - Koning Albertstraat 48-50	Uccle - Alsebergsesteenweg 767
Huy - Shopping Mosan	Wilrijk - Boomsesteenweg 925-935-937 (1)
Mechelen - Bruul 15	
Ostend - Adolf Buylstraat 1A	
Ostend - Adolf Buylstraat 33	
Ostend - Adolf Buylstraat 35	
Ostend - Adolf Buylstraat 42	
Ostend - Adolf Buylstraat 44	
Ostend - Kapellestraat 65	
Wilrijk - Boomsesteenweg 894-898	
Den Bosch - Hinthamerstraat 41-45 (NL)	
Enschede - Kalandersstraat 2-4 9 (NL)	
Maastricht - Grote Staat 58 (NL)	
Nijmegen - Broerstraat 49 (NL)	
Zwolle - Diezerstraat 60 (NL)	

(1) Properties divested after the balance sheet date 30 June 2020.

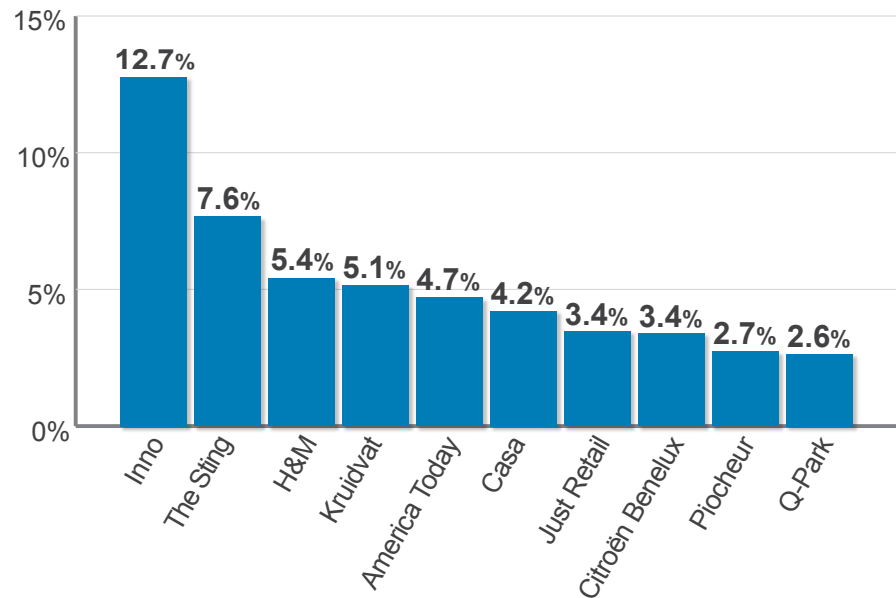
As illustrated in the figure below, the Fashion sector is responsible for 50% of the total Contractual Rents on an annual basis. This sector is followed by Beauty and Care (11%) and Interior & Decoration (10%).

GRAPH 1 SECTORAL SPREAD OF THE REAL ESTATE PORTFOLIO AS AT 30 JUNE 2020 (EXPRESSED AS A PERCENTAGE OF THE CONTRACTUAL RENTS ON AN ANNUAL BASIS)



In the graph below, the Contractual Rents on an annual basis are further broken down to the main clients of Qrf.

GRAPH 2 DISTRIBUTION OF THE REAL ESTATE PORTFOLIO TO TENANTS AS OF 30 JUNE 2020 (EXPRESSED AS A PERCENTAGE OF THE CONTRACTUAL RENTS ON AN ANNUAL BASIS))



The 10 most important tenants of Qrf together represent 52% of the total Contractual Rents on an annual basis.

4.2 CONCLUSIONS OF THE REAL ESTATE EXPERT

De vastgoedportefeuille van Qrf wordt gewaardeerd door Cushman & Wakefield.

Wij hebben de eer u onze schatting van de reële waarde van de vastgoedportefeuille van Qrf op 30 Juni 2020 over te maken.

Na een zorgvuldige analyse van de markt en rekening houdend met de aannames die we hebben gedaan, kunnen wij het volgende melden:

Reële Marktwaaarde (afgerond), na aftrek van mutatierechten:

TOTAAL	België	Nederland
223.050.000 EUR	197.320.000 EUR*	25.730.000 EUR

*dit is exclusief het minderheidsbelang voor de Reële Waarde van 833.571 EUR in Century Center Freehold BVBA. Deze berekening werd gekregen van Qrf. Cushman & Wakefield kan niet verantwoordelijk gesteld worden voor het berekenen hiervan.

Hoogachtend,

Voor het gedeelte van de vastgoedportefeuille gelegen in België

Nils Goedeweck
Valuer
Valuation & Advisory

Gregory Lamarche MRICS
Associate
Valuation & Advisory

Voor het gedeelte van de vastgoedportefeuille gelegen in Nederland

Cushman & Wakefield V.O.F.

Ronald H.J. van der Zalm MRICS RT
Associate
Valuation & Advisory

MATERIAL VALUATION INSURANCE THROUGH THE NEW CORONAVIRUS (COVID-19)

De uitbraak van het nieuwe coronavirus (COVID-19), verklaard door de World Health Organisatie als een “wereldwijde pandemie” op 11 maart 2020 heeft wereldwijde gevolgen gehad op de financiële markten. Reisbeperkingen zijn door veel landen geïmplementeerd.

In veel sectoren wordt de marktactiviteit beïnvloed. Op waarderingsdatum kunnen we minder gewicht geven aan eerdere marktgegevens als vergelijkingspunt, dewelke waarderingsgegevens beïnvloeden.

De huidige reactie op COVID-19 betekent dat we geconfronteerd worden met een ongekende reeks omstandigheden waarop onze schatting dient gebaseerd te worden.

Onze waardering wordt daarom gerapporteerd op basis van ‘materiële waarderingsonzekerheid’ volgens VPS 3 en VPGA 10 van het *RICS Red Book Global*. Bijgevolg kan er minder zekerheid – en een hogere mate van voorzichtigheid – aan onze waardering worden gegeven dan normaal het geval is. Gezien de onbekende toekomstige impact die COVID-19 zou kunnen hebben op de vastgoed markt, raden wij u aan de taxatie van deze onroerende goederen regelmatig te herzien.

Voor alle duidelijkheid: de opname van de verklaring ‘materiële waarderingsonzekerheid’ betekent niet dat er niet op deze waardering kan worden vertrouwd. Het wordt gebruikt om duidelijk en transparant te zijn met alle partijen, op een professionele manier.

5 Consolidated condensed financial statements for the first half of 2020

5.1	CONDENSED CONSOLIDATED HALF-YEAR RESULTS	38
5.2	EARNINGS PER SHARE – GROUP SHARE	39
5.3	CONDENSED CONSOLIDATED BALANCE SHEET	40
5.4	CONSOLIDATED CASH FLOW STATEMENT	41
5.5	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	42
5.6	DETAIL OF CONSOLIDATED RESERVES	43
5.7	NOTES	44
5.8	AUDITOR’S REPORT	56



Ostend
Adolf Buylstraat
Belgium

5 Consolidated condensed financial statements for the first half of 2020

5.1 CONDENSED CONSOLIDATED HALF-YEAR RESULTS

A. CONDENSED CONSOLIDATED INCOME

FIGURES IN THOUSANDS EUR

	Note	30/06/2020	30/06/2019
(+) I. Rental income		6,629	7,854
(+) II. Writeback of leased payments sold and discounted		0	0
(+/-) III. Rental charges		-869	-83
NET RENTAL INCOME		5,760	7,771
(+) IV. Recovery of property charges		0	0
(+) V. Recovery of rental charges and taxes normally payable by tenants on let properties		151	306
(-) VI. Costs payable by the tenants and borne by the owner on the rental damage and refurbishment		0	0
(-) VII. Rental charges and taxes normally payable by tenants on let properties		-227	-407
(+/-) VIII. Other rental related income and expenses		0	0
PROPERTY RESULT	3	5,685	7,670
(-) IX. Technical costs		-61	-160
(-) X. Commercial costs		-62	-79
(-) XI. Charges and taxes of unlet properties		-6	-130
(-) XII. Property management costs		-127	-208
(-) XIII. Other property charges		0	0
PROPERTY CHARGES		-256	-577
PROPERTY OPERATING RESULT		5,429	7,093
(-) XIV. General company expenses		-804	-1,061
(+/-) XV. Other operating income and charges		7	-0
OPERATING RESULT BEFORE PORTFOLIO RESULT		4,632	6,032
(+/-)XVI. Gains and losses on disposals of investment properties		46	36
(+/-)XVII. Gains and losses on disposals of other non-financial assets		0	0
(+/-)XVIII. Changes in Fair Value of investment properties		-6,790	-23,851
(+/-)XIX. Other portfolio result		0	0
PORTFOLIO RESULT	4	-6,744	-23,815
OPERATING RESULT		-2,112	-17,783
(+) XX. Financial income		5	-0
(-) XXI. Net interest charges		-1,079	-1,320
(-) XXII. Other financial charges		-155	-77
(+/-) XXIII. Changes in Fair Value of financial assets and liabilities		192	-1,349
FINANCIAL RESULT	5	-1,036	-2,746
(+/-) XXIV. Share in the result of associated companies and joint ventures		0	0

PROFIT BEFORE TAXES		-3,148	-20,528
(+/-) XXV. Corporate tax		0	-27
(+/-) XXVI. Exit tax		0	0
TAXES		0	-27
NET PROFIT		-3,148	-20,556
Attributable to:			
Shareholders of the group		-3,142	-20,549
Minority interests		-6	-6
Explanation:			
Net result (group share)		-3,142	-20,549
Adjustment for portfolio result		6,744	23,815
Adjustment for changes in Fair Value of assets and liabilities (non-effective interest hedges)		-192	1,349
EPRA EARNINGS*		3,409	4,615

*The EPRA earnings consist of the Net result (group share) exclusive of the portfolio result and changes in Fair Value of the non-effective interest hedges.

B. STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN THOUSANDS EUR

	Note	30/06/2020	30/06/2019
I. NET PROFIT		-3,148	-20,556
II. OTHER COMPREHENSIVE INCOME RECYCLABLE UNDER THE INCOME STATEMENT		0	0
(+/-) B. Variations in the effective part of the Fair Value of permitted hedging instruments in a cash flow coverage as defined in IFRS		0	0
COMPREHENSIVE INCOME		-3,148	-20,556
Attributable to:			
Shareholders of the group		-3,142	-20,549
Minderheidsbelangen		-6	-6

5.2 EARNINGS PER SHARE – GROUP SHARE

	Note	30/06/2020	30/06/2019
Number of ordinary shares in circulation at the end of the financial year		7,153,322	7,153,322
Weighted average number of shares during the financial year		7,153,322	6,906,775
EARNINGS PER ORDINARY SHARE - GROUP SHARE (in EUR)		-0.44	-2.98
DILUTED NET EARNINGS PER SHARE - GROUP SHARE (in EUR)		-0.44	-2.98

5.3 CONDENSED CONSOLIDATED BALANCE SHEET

FIGURES IN THOUSANDS EUR

	Note	30/06/2020	31/12/2019
ASSETS			
I. FIXED ASSETS		199,491	206,815
A Goodwill		0	0
B Intangible fixed assets		0	0
C Investment properties	6	193,301	206,100
D Other tangible fixed assets		30	15
E Non-current financial assets		6,160	700
F Finance lease receivables		0	0
G Trade receivables and other non-current assets		0	0
H Deferred tax assets		0	0
I Stakes in associates and joint ventures – changes in equity		0	0
II. CURRENT ASSETS		36,064	49,541
A Assets classified as held for sale	7	30,585	45,554
B Current financial assets		0	0
C Finance lease receivables		0	0
D Trade receivables		2,110	182
E Tax receivables and other current assets		666	1,261
F Cash and cash equivalents		2,664	2,483
G Deferred charges and accrued income		40	61
TOTAL ASSETS		235,555	256,356

FIGURES IN THOUSANDS EUR

	Note	30/06/2020	31/12/2019
LIABILITIES			
EQUITY		119,366	128,319
I. Equity attributable to the shareholders of the parent company		119,085	128,032
A Capital	8	6,823	6,823
a. Issued Capital		7,153	7,153
b. Costs related to capital increases		-331	-331
B Issue premiums		149,867	149,867
C Reserves		-34,462	-8,179
D Net profit of the year		-3,142	-20,478
II. Minority interests		281	287
LIABILITIES		116,189	128,036
I. Non-current liabilities		93,278	92,385
A Provisions		0	0
B Non-current financial debts	9	90,954	89,946
a. Borrowings		90,954	89,946
b. Financial lease		0	0
c. Other		0	0
C Other non-current financial liabilities		2,046	2,156
D Trade debts and other non-current debts		0	0
E Other non-current liabilities		97	102
F Deferred taxes – liabilities		181	181
a. Exit tax		0	0
b. Others		181	181
II. Current liabilities		22,911	35,651
A Provisions		0	0
B Current financial debts		18,500	31,999
a. Borrowings		0	0
b. Financial lease		0	0
c. Other		0	0
C Other current financial liabilities		0	0
D Trade debts and other current debts		1,279	1,540
a. Exit tax		0	0
b. Others		1,279	1,540
E Other current liabilities		1,343	1,343
F Accrued charges and deferred income		1,789	770
TOTAL EQUITY AND LIABILITIES		235,555	256,356

5.4 CONSOLIDATED CASH FLOW STATEMENT

CIJFERS IN DUIZENDEN EUR	Note	30/06/2020	30/06/2019
CASH AND CASH EQUIVALENTS START OF PERIOD		2,483	2,180
1. Cashflow from operating activities		2,731	5,941
Net profit		-3,142	-20,555
Non-paid interest and bank charges		270	321
Adaptation of the result for non-cash flow transactions		6,791	25,991
- Depreciation on capitalized financing charges		9	9
- Depreciation on intangible and other tangible fixed assets		7	10
- Result from the sale of investment properties	4	-46	-115
- Increase / decrease of receivable invoices (+/-)		141	887
- Changes in Fair Value of investment properties and project developments	4	6,790	23,851
- Changes in Fair Value of financial assets and liabilities		-110	1,349
Changes in working capital requirements:		-1,188	183
Movement of assets:		-1,313	801
- Trade receivables		-1,928	181
- Tax receivables and other current assets		594	569
- Deferred charges and accrued income		21	51
Movement of liabilities:		125	-617
- Other current financial liabilities		-5	-7
- Other non-current liabilities		-391	-194
- Deferred taxes - liabilities		1	70
- Trade debts and other current debts		520	-486
2. Cash flow resulting from investment activities		15,673	1,464
Purchase of intangible and other tangible fixed assets		-14	0
Investments in existing properties		-400	-611
Earnings from the sale of investment properties	4	16,087	2,075
3. Cash flow from financing activities		-18,223	-7,712
Repayment of loans		-12,500	-3,000
Take-up of loans	9	0	0
Costs for capital increase		0	-179
Payment on dividends		-5,723	-4,533
Payment on transaction costs		0	0
CASH AND CASH EQUIVALENTS END OF PERIOD		2,664	1,873

5.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FIGURES IN THOUSANDS EUR	Capital	Cost of Capital increase	Issue premiums	Reserves	Net result of the financial year	Minority interests	Equity
BALANCE SHEET ON 31 DECEMBER 2018	131,724	-152	1,496	-4,405	608	301	129,572
Appropriation of result 2018				-3,926	-608		-4,534
Transfer of portfolio result to reserves				-7,193	7,193		-
Transfer of operating result to reserves				3,913	-3,913		-
Transfer variations in the fair value of the financial instruments				-646	646		-
Dividend for financial year 2018					-4,533		-4,533
Net result 2018					-20,478	-13	-20,491
Other elements recognized in the comprehensive result	-	-	-	152	-	-	152
Impact on the Fair Value of estimated transaction costs resulting from the hypothetical disposal of investment properties							-
Change in Fair Value of properties							-
Reserve for the impact on the Fair Value of financial instruments				152			152
Change fractional value of shares	-126,058		126,058				-
Public issue of new shares							-
Capital increase by contribution in kind	1,488	-179	22,313				23,621
BALANCE SHEET ON 31 DECEMBER 2019	7,154	-331	149,867	-8,179	-20,479	288	128,320
FIGURES IN THOUSANDS EUR	Capital	Cost of Capital increase	Issue premiums	Reserves	Net result of the financial year	Minority interests	Equity
BALANCE SHEET ON 31 DECEMBER 2019	7,154	-331	149,867	-8,179	-20,479	288	128,319
Appropriation of result 2018				-26,203	20,479		-5,723
Transfer of portfolio result to reserves				-20,009	20,009		-
Transfer of operating result to reserves				-5,837	5,837		-
Transfer variations in the fair value of the financial instruments				-357	357		-
Dividend for financial year 2018					-5,723		-5,723
Net result 2019					-3,142	-6	-3,148
Other elements recognized in the comprehensive result	-	-	-	-80	-	-	-80
Impact on the Fair Value of estimated transaction costs resulting from the hypothetical disposal of investment properties							-
Change in Fair Value of properties							-
Reserve for the impact on the Fair Value of financial instruments				-80			-80
Change fractional value of shares							-
Capital increase by contribution in kind							-
BALANCE SHEET ON 30 JUNI 2020	7,154	-331	149,867	-34,462	-3,142	281	119,366

5.6 DETAIL OF CONSOLIDATED RESERVES

FIGURES IN THOUSANDS EUR	Legal reserve	Reserve for the balance of changes in Fair Value of properties	Reserve for the impact on Fair Value of estimated transaction charges resulting from the hypothetical disposal of investment properties	Reserve for the balance of changes in Fair Value of authorized hedge instruments which are subject to a hedge accounting as defined in IFRS	Reserve for the balance of changes in Fair Value of authorized hedge instruments which are not subject to a hedge accounting as defined in IFRS	Available reserve: reserve for foreseeable losses	Other reserves	Results carried forward from previous financial years	Total reserves
BALANCE SHEET ON 31 DECEMBER 2019	-	-5,595	-9,076	-824	-593	14	-	7,894	-8,180
Processing of net result 2019	0	-21,877	1,868	0	-850	0	0	-6,078	-26,888
Transfer of portfolio result to reserves		-21,877	1,868						-20,009
Transfer of operating result to reserves								-6,078	-6,078
Transfer of variations in the Fair Value of financial instruments					-850				-850
Other elements recognized in the comprehensive result	0	0	0	655	0	0	0	0	655
Changes in Fair Value of properties									0
Changes in Fair Value of financial assets and liabilities				655					655
Issu of new shares									0
Capital increase through contribution in kind									0
Cost of issuing new shares and of capital increase									0
Capital reduction to forming available reserve to cover									0
Dividends									0
Others									0
BALANCE SHEET ON 30 JUNE 2020	-	-27,472	-7,208	-169	-1,443	14	-	1,815	-34,463

5.7 NOTES

NOTE 1. ACCOUNTING FOR FINANCIAL REPORTING	45
NOTE 2. INFORMATION BY SEGMENT	45
NOTE 3. PROPERTY RESULT	47
NOTE 4. PORTFOLIO RESULT	48
NOTE 5. FINANCIAL RESULT	49
NOTE 6. INVESTMENT PROPERTIES	49
NOTE 7. ASSETS AVAILABLE FOR SALE	50
NOTE 8. CAPITAL	50
NOTE 9. FINANCIAL DEBTS	51
NOTE 10. FINANCIAL ASSETS AND LIABILITIES	52
NOTE 11. DEBT RATIO	53
NOTE 12. REAL ESTATE COMPANIES ESTABLISHED	54
NOTE 13. CONSOLIDATION SCOPE	54
NOTE 14. OFF-BALANCE SHEET RIGHTS AND COMMITMENTS	55
NOTE 15. RELATED PARTY TRANSACTIONS WITH RESPECT TO THE INCOME STATEMENT	55
NOTE 16. EVENTS AFTER CLOSING OF THE BALANCE	55

NOTE 1. ACCOUNTING FOR FINANCIAL REPORTING

N 1.1 GENERAL

Qrf's financial statements are prepared in accordance with IFRS as adopted by the European Union and in accordance with the provisions of the RREC Act.

This interim financial information for the period ended June 30, 2020 has been prepared in accordance with IAS 34, "Interim Financial Reporting". This interim financial report should be read in conjunction with the financial statements for the financial year ending December 31, 2019.

During the first half of 2020 Qrf did not include any new IFRS standards or interpretations in its accounting policies and applied the valuation rules for the preparation of the interim financial statements. Statements are identical to those applied for the financial year ending December 31, 2019.

As of June 30, no statutory half-yearly financial report is prepared. The statutory annual accounts are only prepared at year-end.

NOTE 2. INFORMATION BY SEGMENT

	30/06/2020			
FIGURES IN THOUSANDS EUR	BELGIUM	NETHERLANDS	Non-attributed amounts	TOTAL
NET RENTAL INCOME	5,212	548	0	5,760
PROPERTY RESULT	5,210	475	0	5,684
PROPERTY CHARGES	-181	-75	0	-256
OPERATING PROPERTY RESULT	5,029	400	0	5,429
(-) General company expenses	-17	-16	-771	-804
(+/-) Other operating income and charges	0	0	7	7
OPERATING RESULT BEFORE THE RESULT ON THE PORTFOLIO	5,012	384	-764	4,632
(+/-) Result on disposals of investment properties	46	0	0	46
(+/-) Changes in Fair Value of investment properties	-5,680	-1,110	0	-6,790
(+/-) Other portfolio result	0	0	0	0
OPERATING RESULT	-622	-726	-764	-2,112
FINANCIAL RESULT	0	0	-1,036	-1,036
RESULT BEFORE TAXES	-622	-726	-1,800	-3,148
TAXES	0	0	0	0
NET RESULT	-622	-726	-1,800	-3,148
MINORITY INTERESTS	-6	0	0	-6
NET RESULT - GROUP SHARE	-616	-726	-1,800	-3,142

30/06/2020				
FIGURES IN THOUSANDS EUR	BELGIUM	NETHERLANDS	Non-attributed amounts	TOTAL
ASSETS				
Investment properties	178,650	25,730	730	205,110
Other assets	24,965	0	5,515	30,480
TOTAL ASSETS	203,615	25,730	6,245	235,590
LIABILITIES				
EQUITY	0	0	119,366	119,366
Group equity	0	0	119,085	119,085
Minority interests	0	0	281	281
LIABILITIES	0	0	116,189	116,189
TOTAL EQUITY AND LIABILITIES	0	0	235,555	235,555
30/06/2019				
FIGURES IN THOUSANDS EUR	BELGIUM	NETHERLANDS	Non-attributed amounts	TOTAL
NET RENTAL INCOME	7,060	712	0	7,771
PROPERTY RESULT	7,050	619	0	7,669
PROPERTY CHARGES	-548	-29	0	-576
OPERATING PROPERTY RESULT	6,502	590	0	7,093
(-) General company expenses	-102	11	-969	-1,061
(+/-) Other operating income and charges	0	0	0	0
OPERATING RESULT BEFORE THE RESULT ON THE PORTFOLIO	6,400	601	-969	6,032
(+/-) Result on disposals of investment properties	36	0	0	36
(+/-) Changes in Fair Value of investment properties	-23,211	-640	0	-23,851
(+/-) Other portfolio result	0	0	0	0
OPERATING RESULT	-16,775	-39	-969	-17,782
FINANCIAL RESULT	0	0	-2,745	-2,745
RESULT BEFORE TAXES	-16,775	-39	-3,714	-20,527
TAXES	0	0	-27	-27
NET RESULT	-16,775	-39	-3,741	-20,554
MINORITY INTERESTS	-6	0	0	-6
NET RESULT - GROUP SHARE	-16,769	-39	-3,741	-20,548

30/06/2019

FIGURES IN THOUSANDS EUR	BELGIUM	NETHERLANDS	Non-attributed amounts	TOTAL
ASSETS				
Investment properties	208,149	26,840	0	234,989
Other assets	35,405	0	2,784	38,189
TOTAL ASSETS	243,554	26,840	2,784	273,177
LIABILITIES				
EQUITY	0	0	128,300	128,300
Group equity	0	0	128,006	128,006
Minority interests	0	0	294	294
LIABILITIES	0	0	144,877	144,877
TOTAL EQUITY AND LIABILITIES	0	0	273,177	273,177

The Board of Directors is the body that makes decisions and the body that measures the performance of the different segments. The Board of Directors reviews the results at the level of geographical spread.

NOTE 3. PROPERTY RESULT

FIGURES IN THOUSANDS EUR	30/06/2020	30/06/2019
(+) I. Rental income	6,629	7,854
- Rent	6,629	7,854
- Guaranteed income	0	0
(+) II. Writeback of leased payments sold and discounted	0	0
(+/-) III. Rental related expenses	-869	-83
- Write-downs on trade receivables	-875	-83
- Reversals of write-downs on trade receivables	5	0
NET RENTAL INCOME	5,760	7,771
(+) IV. Recovery of property charges	0	0
(+) V. Recovery of rental charges and taxes normally payable by tenants on let properties	151	306
- Rebilling of rental charges borne by the owner	24	14
- Rebilling of advance levies and taxes on let properties	127	292
(-) VI. Costs payable by the tenants and borne by the owner on the rental damage and refurbishment	0	0
(-) VII. Rental charges and taxes normally payable by tenants on let properties	-227	-407
- Rental charges borne by the owner	-81	-303
- Advance levies and charges on let properties	-145	-104
(+/-) VIII. Other rental related income and expenses	0	0
PROPERTY RESULT	5,685	7,669

The present value of future rental income until the first expiry date of the lease following collection terms:

FIGURES IN THOUSANDS EUR	30/06/2020	30/06/2019
STATEMENT OF THE CONTRACTUAL RENTAL INCOME RECEIVABLE ON THE FIRST DUE DATE		
Within one year	11,251	13,083
Between one and five years	11,767	11,767
More than five years	2,706	2,706
TOTAL	25,724	27,556

In Belgium, most leases QRF commercial leases for a period of 9 years, basically by the tenant terminated after expiration of the third and sixth year, subject to a notice period of 6 months before the due date.

In the Netherlands, most of Qrf's lease contracts are commercial lease contracts for a period of 5 years, which can contractually grant an option for an extension of the tenant for a period of 5 or 10 years, with a termination option on the part of the tenant at the end of the first period, as well as at the end of each subsequent period.

In order to ensure compliance with the obligations imposed on the tenant under the agreement, the tenant, in principle in both Belgium and the Netherlands, must provide a rental guarantee, usually in the form of a bank guarantee worth three to six months' rent.

Rents, for both Belgium and the Netherlands, are usually paid monthly (sometimes quarterly) in advance and are usually indexed annually at maturity. Taxes and levies (including property tax) and common costs are in principle borne by the tenant.

At the start of the agreement, a location description is in principle drawn up between the parties by an independent expert. At the expiration of the agreement, the tenant must return the spaces rented by him in the condition as described in the location description upon entry, subject to normal wear and tear. The tenant cannot transfer the lease or sublet the spaces in whole or in part, unless with the prior written consent of the landlord. The tenant has the obligation to register the agreement at his expense.

NOTE 4. PORTFOLIO RESULT

FIGURES IN THOUSANDS EUR	30/06/2020	30/06/2019
(+/-) XVI. Result on disposals of investment properties	46	36
- Net sales of properties (selling price - transaction costs)	21,397	1,996
- Asset value of the sold properties	-21,351	-1,960
(+/-) XVII. Result on disposals of other non-financial assets	0	0
(+/-) XVIII. Changes in Fair Value of investment properties	-6,790	-23,851
- Positive changes in Fair Value of investment properties	900	1,003
- Negative changes in Fair Value of investment properties	-7,690	-24,854
(+/-) XIX. Other portfolio result	0	0
PORTFOLIO RESULT	-6,744	-23,815

NOTE 5. FINANCIAL RESULT

FIGURES IN THOUSANDS EUR	30/06/2020	30/06/2018
(+) XX. Financial Income	5	0
- Collected interest and dividends	5	0
(-) XXI. Net interest charges	-1,079	-1,320
- Nominal interest charges on loans	-748	-885
- Costs of authorized hedging instruments	-331	-435
- Other interest charges	0	0
(-) XXII. Other financial charges	-155	-77
- Bank charges and other commissions	-155	-77
(+/-) XXIII. Changes in Fair Value of financial assets and liabilities	192	-1,349
IFRS	0	0
- Authorized hedging instruments subject to hedge accounting as defined in IFRS	192	-1,349
- Others		
FINANCIAL RESULT	-1,036	-2,745

Qrf is exposed to any increases in financial charges which may be caused by an increase in interest rates. To limit this risk, Qrf has partly converted the floating interest rates into fixed interest rates via *interest rate swaps*. The term of these financial instruments is aligned with the term of the loans of Qrf. If the interest rates fall sharply in the long term, the market value of these *interest rate swaps* can become very negative.

The derivatives currently used by Qrf no longer qualify as cash flow hedging transactions. Changes in the Fair Value of derivatives that do not qualify as a cash flow hedge are recognized immediately in the result.

The financing cost for the first half of 2020 amounted to 1.73%, including the credit margins and the cost of the hedging instruments. As of June 30, 2020, all drawn credit lines had a fixed interest rate, including by using *interest rate swaps* as a hedging instrument.

NOTE 6. INVESTMENT PROPERTIES

FIGURES IN THOUSANDS EUR	30/06/2020	31/12/2019
INVESTMENT TABLE		
Balance at the beginning of the financial year	206,100	271,793
Acquisition by purchase or contribution of investment companies	0	0
Acquisition by purchase or contribution of investment properties	0	23,800
Other elements recognized in the result	0	-19
Sale of investment properties	-2,731	-16,670
Transfer to assets available for sale	-3,681	-45,554
Capitalized expenditures (Capex)	403	772
Change in Fair Value of investment properties	-6,790	-28,022
Balance at the end of the financial year	193,301	206,100

The Cushman & Wakefield valuation is reported on the basis of 'material valuation uncertainty' (see 4.2 of this half-year report).

NOTE 7. ASSETS AVAILABLE FOR SALE

FIGURES IN THOUSANDS EUR

	30/06/2020	31/12/2019
Assets available for sale		
Balance at the start of the financial year	45,554	0
Transferred from / to investment property	3,681	45,554
Variation in the fair value of investment properties	-10	0
Book value of assets sold available for sale	-18,640	0
Balance at the end of the financial year	30,585	45,554

NOTE 8. CAPITAL

FIGURES IN THOUSANDS EUR

	Capital movement	Total outstanding capital	Issue premiums	Costs of capital increase	Number of shares issued	Total number of shares
EVOLUTION CAPITAL						
Date	Transaction					
03/09/2013	Formation	62	62		1,230	1,230
27/11/2013	Share split (1 against 2)	0	62		1,230	2,460
27/11/2013	Contribution in cash	1,139	1,200		45,540	48,000
18/12/2013	Contribution of Laagland	5,243	6,443		209,711	257,711
18/12/2013	IPO and first listing on EURonext Brussels	75,380	81,823		3,015,200	3,272,911
18/12/2013	Capital reduction to hedge future losses	-5,734	76,089		0	3,272,911
BALANCE SHEET ON 30 DECEMBER 2013		76,089				3,272,911
BALANCE SHEET ON 30 DECEMBER 2014		76,089				3,272,911
Date	Transaction					
24/06/2015	Capital increase by contribution in kind	4,490	80,579	238	193,097	3,466,008
08/12/2015	Capital increase by contribution in kind	14,733	95,312	608	633,680	4,099,688
09/12/2015	Contribution of company TT Center plus	8,913	104,225	37	383,363	4,483,051
BALANCE SHEET ON 30 DECEMBER 2015		104,225	883	-32		4,483,051
Date	Transaction					
01/01/2016	Capital increase by contribution in kind (relating to financial year 2015)		104,225	-23		4,483,051
30/06/2016	Capital increase by contribution in kind	7,567	111,792	371	325,466	4,808,517
21/12/2016	Capital increase by contribution in kind	7,470	119,262	206	321,285	5,129,802
BALANCE SHEET ON 30 DECEMBER 2016		119,262	1,459	-111		5,129,802
Date	Transaction					
01/01/2017	Capital increase by contribution in kind (relating to financial year 2016)		119,262	-14		5,129,802
25/09/2017	Capital increase by contribution in kind	12,462	131,724	38	536,020	5,665,822
BALANCE SHEET ON 31 DECEMBER 2017		131,724	1,496	-152		5,665,822
BALANCE SHEET ON 31 DECEMBER 2018		131,724	1,496	-152		5,665,822
Date	Transaction					
09/01/2019	Capital reduction as a result of the change in the fractional value per share	-126,058	5,666	126,058		5,665,822
29/01/2019	Capital increase by contribution in kind	1,488	7,153	22,313	1,487,500	7,153,322
BALANCE SHEET ON 31 DECEMBER 2019		7,153	149,867	-331		7,153,322
BALANCE SHEET ON 31 DECEMBER 2020		7,153	149,867	-331		7,153,322

No capital operations took place in the 2014, 2018 and 2020 financial years.

NOTE 9. FINANCIAL DEBTS

FIGURES IN THOUSANDS EUR	30/06/2020	31/12/2019
FINANCIAL DEBTS		
I. B. Non-current financial debts	90,954	89,946
-Credit institutions	91,000	90,000
-Cost of borrowings	-46	-54
II. B. Current financial debts	18,500	31,999
-Credit institutions	18,500	32,000
-Cost of borrowings		-1
TOTAL	109,454	121,945
FIGURES IN THOUSANDS EUR	30/06/2020	31/12/2019
BREAKDOWN BY MATURITY OF LONG-TERM FINANCIAL LIABILITIES		
Between one and two years	15,000	15,000
Between two and five years	66,000	33,000
Over five years	10,000	42,000
TOTAL	91,000	90,000
CIJFERS IN DUIZENDEN EUR	30/06/2020	31/12/2019
BREAKDOWN BY MATURITY OF UNDRAWN CREDIT FACILITIES		
Payable within one year	10,000	10,000
Payable after one year	59,000	54,000
TOTAL	69,000	64,000
FIGURES IN THOUSANDS EUR	30/06/2020	31/12/2019
ESTIMATED FUTURE INTEREST CHARGES ON BORROWINGS		
Within one year	2,565	2,330
Between one and five years	6,803	5,833
More than five years	1,479	1,043
TOTAL	10,846	9,205

The estimate of future interest charges is taking into account the financial debts recognized as of June 30, 2020, interest coverage in accordance with current contracts and applicable margin on top of the fixed interest rate.

NOTE 10. FINANCIAL ASSETS AND LIABILITIES

FIGURES IN THOUSANDS EUR		31/12/2019	31/12/2019	
	Categorie	Boekwaarde	Reële Waarde	Level
STATEMENT OF FINANCIAL ASSETS AND LIABILITIES				
ASSETS				
Current financial assets				
Trade receivables	B	182	182	Level 2
Tax receivables and other current assets	B	1,261	1,261	Level 2
Cash and cash equivalents	C	2,483	2,483	Level 1
TOTAL FINANCIAL ASSETS		3,925	3,925	
LIABILITIES				
Non-current financial liabilities				
Non-current financial debts	B	89,946	89,946	Level 2
Other non-current liabilities				
Rental guarantees received	B	102	102	Level 2
Other non-current financial liabilities				
Other non-current financial liabilities	A	2,156	2,156	Level 2
Current financial liabilities				
Trade debts and other current debts	B	1,540	1,540	Level 2
Other current liabilities	B	1,343	1,343	Level 2
Current financial liabilities	B	31,999	31,999	Level 2
Other current financial liabilities	A	0	0	Level 2
TOTAL FINANCIAL LIABILITIES		127,086	127,086	

FIGURES IN THOUSANDS EUR		30/06/2020	30/06/2020	
	Categorie	Boekwaarde	Reële Waarde	Level
STATEMENT OF FINANCIAL ASSETS AND LIABILITIES				
ASSETS				
Current financial assets				
Trade receivables	B	2,110	2,110	Level 2
Tax receivables and other current assets	B	666	666	Level 2
Cash and cash equivalents	C	2,664	2,664	Level 1
TOTAL FINANCIAL ASSETS		5,440	5,440	
LIABILITIES				
Non-current financial liabilities				
Non-current financial debts	B	90,954	90,954	Level 2
Other non-current liabilities				
Rental guarantees received	B	97	97	Level 2
Other non-current financial liabilities				
Other non-current financial liabilities	A	2,046	2,046	Level 2
Current financial liabilities				
Trade debts and other current debts	B	1,279	1,279	Level 2
Other current liabilities	B	1,343	1,343	Level 2
Current financial debts	B	18,500	18,500	Level 2
Other current financial liabilities	A	0	0	Level 2
TOTAL FINANCIAL LIABILITIES		114,219	114,219	

The categories correspond to the following financial instruments:

- A. Assets or liabilities held at Fair Value (hedging instruments).
- B. Financial assets or liabilities (including receivables and loans) held to maturity at amortized cost.
- C. Investments held to maturity at amortized cost.

All the financial instruments of the Group correspond to levels 1 and 2 in the hierarchy of Fair Values. The Fair Value is measured on a regular basis.

Level 1 in the hierarchy of the Fair Values retains the cash and cash equivalents.

Level 2 in the hierarchy of the Fair Values concerns the other financial assets and liabilities whose Fair Value is based on other data that can be determined, directly or indirectly, for the assets or liabilities in question. The valuation techniques regarding the Fair Value of level 2 financial instruments are as follows:

- The section "financial fixed assets" concerns *Interest Rate Swaps* (IRS), the Fair Value of which is determined using interest rates applicable to active markets, over generally supplied by financial institutions.
- The Fair Value of the other level 2 financial assets and liabilities is virtually equal to their carrying amount: either because they have a short-term maturity (such as trade receivables and payables) or because they bear a variable interest rate.

NOTE 11. DEBT RATIO

FIGURES IN THOUSANDS EUR	30/06/2020	31/12/2019
DEBT RATIO		
Liabilities	116,189	128,036
- Adjustments	-4,016	-3,106
Debt burden pursuant to Article 13 of the RREC Royal Decree	112,174	124,930
Total assets	235,555	256,356
DEBT RATIO	47.62%	48.73%

The debt burden as referred to in Art. 13 of the RREC Royal Decree amounts to 112 MEUR on 30 June 2020. The Debt ratio is 47.62% on 30 June 2020.

The Debt ratio is calculated as the ratio of the debt burden (ie the liabilities excluding provisions, accruals and other long/short-term financial liabilities, such as mainly the negative variations in the Fair Value of the hedging instruments) relative to the total of the assets.

Qrf must continue to comply with the financial ratios as imposed by the RREC Act. Unless this is the result of a variation of the Fair Value of the assets, the Debt ratio of a RREC may not exceed 65% of the assets, after deduction of the permitted hedging instruments, in accordance with Article 45 of the RREC Act. If Qrf's Debt Ratio exceeds 50%, it should take a number of steps, including drawing up a financial plan describing the measures that will be taken to prevent the Debt ratio from rising above 65%. The annual financial costs associated with the indebtedness of a RREC and its subsidiaries may at no time exceed 80% of Qrf's consolidated net operating result. In addition, in certain financing agreements with financial institutions, a covenant has been agreed that the debt ratio of Qrf may not exceed 60%.

NOTE 12. REAL ESTATE COMPANIES ESTABLISHED

Qrf set up the real estate company Bond 58 BV in the first half of 2020 to realize the agreed collaboration with Dyls NV for the redevelopment of the site located at Bondgenotenlaan in Leuven. The company was incorporated with the transfer of the property, after which 70% of the shares were immediately sold to Dyls NV (see point 2.1.2).

NOTE 13. CONSOLIDATION SCOPE

As of June 30, 2020, the consolidation scope consists of Qrf Comm. VA and its subsidiaries:

- Century Center Freehold BVBA, 51% of the shares of which are held by Qrf;
- RIGS NV, of which 100% of the shares are held by Qrf;
- Qrf Nederland BV, of which 100% of the shares are held by Qrf.

NOTE 14. OFF-BALANCE SHEET RIGHTS AND COMMITMENTS

N 14.1 JUDICIAL AND ARBITRATION PROCEDURES

Qrf has various debt collection procedures in progress, which may have a limited impact on the figures. In addition, Qrf is involved in a number of lawsuits that are pending or threatened. These disputes mainly concern disputes with certain tenants in the context of a lease renewal application to which the tenant is entitled in accordance with Article 13 of the Commercial Lease Act.

In addition, there is a dispute pending concerning the takeover of the company Center Commercial Hutois NV in Huy, in which there is a dispute with the former owners regarding the regularization of the building permit. The urbanization regularization has since been granted by decision of the Municipal Executive of the city of Huy taken on February 1, 2019, but the dispute is formally pending.

N 14.2 RENTAL GUARANTEES

There are no rental guarantees on properties owned by Qrf Comm. VA.

NOTE 15. RELATED PARTY TRANSACTIONS WITH RESPECT TO THE INCOME STATEMENT

FIGURES IN THOUSANDS EUR	30/06/2020	30/06/2019
RELATED PARTY TRANSACTIONS		
XIV. General company expenses	373	457
- <i>Remuneration for the Executive Management</i>	184	243
- <i>Remuneration for the Statutory Manager</i>	146	152
- <i>Operating charges for the Statutory Manager</i>	4	4
- <i>Remuneration for the Board of Directors and committees</i>	40	58
Trade receivables	-12	-
Trade debts and other current debts	40	-

NOTE 16. EVENTS AFTER CLOSING OF THE BALANCE

Divestments

Two sales were finalized after closing of the balance sheet date and this for a net revenue of 3.76 MEUR. It concerns the second part of the site located at Boomsesteenweg 925 in Wilrijk (rented to Vanden Borre) and a shop located at Koning Albertstraat 60 in Hasselt (rented to Casa). These two sales were realized at 2.20% above the Fair Value as at 30/06/2020.

5.8 AUDITOR'S REPORT



FREE TRANSLATION

QRF COMM. VA

Statutory auditor's review report on the condensed consolidated interim figures for the period of six months ended 30 June 2020

31 July 2020



FREE TRANSLATION

For the attention of the Statutory Management

STATUTORY AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FIGURES FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2020

Introduction

We have reviewed the condensed consolidated interim figures of Qrf Comm. VA and its subsidiaries as of 30 June 2020, consisting of the condensed consolidated income statement, the statement of other comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in shareholders' equity and the condensed consolidated cash flow statement for the 6-month period then ended, as well as the explanatory notes (together: "condensed consolidated interim figures"). The Statutory Management is responsible for the preparation and presentation of these condensed consolidated interim figures in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim figures based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and in applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim figures on 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

PwC Bedrijfsrevisoren BV - PwC Reviseurs d'Entreprises SRL - Financial Assurance Services
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe
Vestigingseenheid/Unité d'établissement: Generaal Lemanstraat 55, B-2018 Antwerpen
T: +32 (0)3 259 3011, F: +32 (0)3 259 3099, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB /
BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

FREE TRANSLATION

Emphasis of matter – Disclosure Covid-19

As far as the outbreak of COVID 19 is concerned, we draw your attention to page 35 of the half year report and Note 6 ("Material valuation uncertainty due to the new corona virus (Covid-19)") of the consolidated condensed consolidated interim figures ("Investment properties") in which the board of directors expresses their view that as a consequence of the pandemic a material valuation uncertainty has been included in the external valuator's reports of the investment properties as of June 30, 2020. This means that there is a higher degree of uncertainty in the valuations than usually given the future unknown impact that Covid-19 may have on the real estate market.

We do not express a qualification in our review report regarding this matter.

Antwerp, 31 July 2020

The statutory auditor
PwC Reviseurs d'Entreprises SRL / Bedrijfsrevisoren BV
Represented by

Peter Ringoot
Réviseur d'Entreprises / Bedrijfsrevisor

6 APM – Alternative performance measures

6.1	EPRA NAV	61
6.2	EPRA NAV PER SHARE	62
6.3	EPRA EARNINGS	62
6.4	AVERAGE COST OF FINANCING	63
6.5	OPERATING MARGIN	63



Maastricht
Grote Staat 58
The Netherlands

6 APM – 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 financial report, with their definition, goal and reconciliation.

6.1 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.

6.2 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 crystallise 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	30/06/2020	31/12/2019
IFRS NAV (group shareholders)	119,085	128,032
(iv) Fair Value of financial instruments	2,046	2,156
(v.a) Deferred tax	-96	-96
Minority interests with regards to deferred tax	-89	47
EPRA NAV	120,946	130,139
Number of shares	7,153,322	7,153,322
EPRA NAV per share (in EUR)	16.93	18.19

6.3 EPRA EARNINGS

Definition: Net result (group share) with the exclusion of the portfolio result and changes in 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	30/06/2020	30/06/2019
IFRS result (group share)	-3,142	-20,549
(i) Changes in the Fair Value of real estate investments	6,790	23,851
(ii) Profit or loss on the sale of real estate investments	-46	-36
(vi) Changes in the Fair Value of financial instruments	-192	1,349
EPRA earnings	3,409	4,615
Weighted average number of shares	7,153,322	6,906,775
EPRA earnings per share (in EUR)	0.48	0.67

6.4 AVERAGE COST OF FINANCING

Definition: This is the Average Cost of Financing of the financial debts, calculated by dividing the “net interest charges” 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	30/06/2020	30/06/2019
XXI. Net interest costs	1,071	1,320
Weighted average amount of financial debt during the period	61,770	69,958
Average Cost of Financing	1.73%	1.89%

6.5 OPERATING MARGIN

Definition: This alternative performance measure 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	30/06/2020	30/06/2019
Operating result before the result on the portfolio	6,032	6,000
Net rental income	7,771	7,756
Operating margin	77.6%	77.4%

7 Lexicon



Mechelen

Bruul 15 - Botermarkt 1

Belgium

7 Lexicon

Acquisition value

The acquisition value is the value of the property when purchased, inclusive of the transfer fees, if any.

AIFMD

Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) no 1060/2009 and (EU) No 1095/2010 Text with EEA relevance.

Auditor

The auditor of Qrf City Retail, i.e. PwC represented by Mr Peter Ringoot.

Board of Directors

The Board of Directors of the Statutory Manager.

Century Center Freehold BVBA

The private limited liability company incorporated under Belgian law Century Center Freehold BVBA, having its registered office at Pauline Van Pottelsberghelaan 10, 9051 Gent, registered in the Kruispuntbank van Ondernemingen [Central Business Register] under company number VAT BE 0879.602.829 (Antwerp Legal Persons' Register, Antwerp section).

CEO

Chief Executive Officer.

CFO

Chief Financial Officer.

Companies Code (C. Code)

Companies Code of 7 May 1999, Belgisch Staatsblad [Belgian Official Gazette] of 6 August 1999, as amended.

Contractual rents

The indexed basic rent as contractually fixed in leases before the deduction of gratuities and other benefits granted to the tenants.

Core Portfolio

The Core Portfolio contains the locations within the real estate portfolio of Qrf City Retail that meet various criteria, such as: the attractiveness of the city (demographic, tourist, etc.), the positioning within the shopping area and the quality of real estate for retailers. In addition, the Core portfolio also contains the properties that are intended for redevelopment.

Cushman & Wakefield Belgium

The limited company under Belgian law Cushman & Wakefield NV with registered office at Kunstlaan 56, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under company number BE 0422.118.165.

Cushman & Wakefield Netherlands

The civil company under Dutch law Cushman & Wakefield BV, with registered office at Gustav Mahlerlaan 362, 1082 ME Amsterdam, the Netherlands, registered with the Chamber of Commerce under number Chamber of Commerce 33154480, trading through its Belgian office located at Koningsstraat 97 (fourth floor), 1000 Brussels, Belgium, registered with the Kruispuntbank van Ondernemingen [Central Business Register] for Enterprises under company number BE 0418.915.383.

Debt ratio

This is the legal ratio of the obligations (exclusive of provisions, transitory accounts and non-current/current financial liabilities, i.e. negative changes in Fair Value of the hedging instruments) with regard to the total assets calculated according to the method in Article 13, §1, 2°, of the RREC RD.

EMIR

Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

Estimated Rental Value (ERV)

This is the estimated rental value on an annual basis used by the Property Expert in valuation reports.

Euronext Brussels

The regulated market of Euronext Brussels NV.

Euronext Brussels NV

The public limited company incorporated under Belgian law Euronext Brussels NV, having its registered office at Markiesstraat 1, box 1, 1000 Brussels, registered in the Kruispuntbank van Ondernemingen [Central Business Register] under company number VAT BE 0242.100.122 (Brussels Legal Persons' Register, Registry of the Brussels Dutch-speaking Commercial Court), The Belgian market company that runs Euronext Brussels.

Fair Value

The amount for which a property can be exchanged between well informed, independent parties who are prepared for a transaction, with deduction of transfer taxes or registration fees from the seller's perspective.

Group

Qrf City Retail and its Perimeter Companies.

IASB

International Accounting Standards Board.

IFRIC

International Financial Reporting Interpretations Committee.

IFRS

International Financial Reporting Standards, the accounting standard according to which RRECs are required to report pursuant to Article 28 of the RREC Act.

IFRS NAV per share

Net Asset Value per share according to IFRS. This value corresponds to the net value per share within the meaning of Article 2, 23° of the RREC Act.

Investment value or Gross Market value or Value Deed-in-Hand

This value is equal to the amount at which a property could change hands between well informed parties, agreeing and acting under normal competition circumstances. The market value is inclusive of any registration fees and notary's fees or VAT (in case of a purchase subject to VAT).

Market value

The market value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

Net Market Value or Value Cost-to-Buyer

The investment value minus the registration fees and notary's fees or VAT.

Non-Core Portfolio

The Non-Core Portfolio contains the locations within the real estate portfolio of Qrf City Retail that does not meet the criteria of the Core Portfolio.

Occupancy rate

The proportion of Contractual Rent on an annual basis, with regard to the Contractual Rentals on an annual basis plus the Estimated Rent of vacant premises on an annual basis.

Pay-out ratio

The proportion of the gross dividend per share divided by the EPRA earnings per share.

Perimeter Company

The company in which the RREC directly or indirectly holds more than 25% of the shares (including its subsidiaries as defined in Article 6, 2°, of the Companies Code).

Property expert

Cushman & Wakefield.

PwC

The partnership which has adopted the form of a cooperative company PriceWaterhouseCoopers Bedrijfsrevisoren BV o.v.v.e. CVBA, having its registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, registered in the Kruispuntbank van Ondernemingen [Central Business Register] under company number VAT BE 0429.501.944 (Brussels Legal Persons' Register, Registry of the Brussels Dutch-speaking Commercial Court).

Qrf Management NV

The public limited company incorporated under Belgian Qrf Management NV, having its registered office at Oud Vliegvelde 12, 8400 Ostend, registered in the Kruispuntbank van Ondernemingen [Central Business Register] under company number VAT BE 0537.925.079 (Antwerp Legal Persons' Register, Antwerp section).

Qrf Nederland BV

The private limited liability company under Dutch law Qrf Nederland BV, with registered office at Emmalaan 25, 1075 AT, Amsterdam, the Netherlands, registered in the Chamber of Commerce with Chamber of Commerce number 68633181.

Qrf or the Company

The limited partnership on shares under Belgian law Qrf, a public Regulated Real Estate Company under Belgian law, with registered office at Gaston Crommenlaan 8, 9050 Gent, registered with the Crossroads Bank for Enterprises under the company number VAT BE 0537.979.024 (RPR Antwerp, Antwerp department).

Quares Property & Facility Management BV

The private company with limited liability under Dutch law Quares Property Management Management BV, with registered office in Emmalaan 25, 1075 AT, Amsterdam, the Netherlands, registered in the Chamber Of Commerce (Kamer Van Koophandel) with KvK number 34351584.

Rental income

The arithmetic sum of the rental income, after rent reductions, effectively or contractually invoiced by Qrf City Retail, over the period of (a part of) a financial year.

RREC/GVV

Regulated Real Estate Company, a company set up for a specified period, which carries out exclusively an activity consisting of providing properties to users, directly or through a company in which it has a shareholding interest, or where appropriate, owns property, licensed as such by the FSMA and regulated by the RREC Act and the RREC RD.

RREC Act/GVV-Wet

The Regulated Real Estate Company Act of 12 May 2014.

RREC-RD/GVV-KB

The Royal Decree of 13 July 2014 with regard to regulated real estate companies.

Shares

The shares, dematerialized or registered, without par value, with voting rights, which represent the capital, issued by Qrf City Retail.

Statutory Manager

Qrf Management NV.

Transfer charges/Transaction rights

The transfer of ownership of a property is in theory subject to the collection, by the State, of transfer charges, which constitute the largest part of the transaction costs. The amount of these fees depends on the method of transfer, the capacity of the buyer and the geographic location of the property.



Qrf Comm. VA
Gaston Crommenlaan 8,
B 9050 Ghent (Gentbrugge)
Tel. +32 (0) 9 296 21 63
info@qrf.be