



## HALF-YEARLY FINANCIAL REPORT 2021

30 July – 17:40

*Update 14/09/2021:*

*Due to the detection of some non-material inaccuracies, a new version of the Half-Yearly Financial Report 2021 has been made available.*

# Summary

## first half year 2021

## 3.23 MEUR

**EPRA profit** for H1 2021 down 5.14% compared to H1 2020 to MEUR 3.23. EPRA profit per share amounts to EUR 0.45. The impact of the conditional lease waiver as a result of COVID-19 amounts to EUR 0.04 on the EPRA profit per share. Consequently, the recurring EPRA profit per share amounts to EUR 0.49.

## 287 KEUR

**COVID-19 impact** on the realised rental income of H1 2020 amounts to KEUR 287, which corresponds to a loss of 2.42% of the budgeted rental income for 2021.

## 15.34 EUR

The **EPRA NAV per share** amounts to EUR 15.34 (decrease of 8.24% compared to 31 December 2020), the IFRS NAV to EUR 15.17 (decrease of 7.67% compared to 31 December 2020).

## 50.26%

**Debt ratio** of 50.26% on 30 June 2021 (compared to 48.79% on 31 December 2020).

## 226.6 MEUR

**Fair value of the portfolio** on 30 June 2021 of MEUR 201.65, of which MEUR 179.22 (88.88%) are core sites and MEUR 22.43 (11.12%) are non-core sites. In addition, Qrf holds MEUR 24.95 as **financial participation in joint ventures** for redevelopments in Antwerp and Leuven.

## 97.38%

**Stable occupancy rate** of 97.38%, compared to 97.59% at 31 December 2020. This occupancy rate was also supported by the renegotiation of MEUR 2.4 of contractual rents in the first six months of 2021 (19.62% of all contractual rents).

## Veldstraat 88

After the balance sheet date, Qrf signed a **binding purchase agreement** for the acquisition of a complex located at Veldstraat 88 in Ghent for MEUR 9. This strategic position will be redeveloped by Qrf into a sustainable building, where a maximum area will be activated to accommodate various inner-city commercial functions, including retail.

## 2.27 MEUR

**Capital increase** of MEUR 2.27 by means of subscription to the optional dividend. 56.8% of the shareholders opted to receive the dividend in new shares issued at EUR 11.75 per share.

## 0.80 EUR

Qrf confirms the **gross dividend forecast** of EUR 0.80 per share for 2021. Qrf will offer this dividend to the shareholders as an optional dividend.

# Summary

## first half year 2021

Over the past 18 months, the COVID-19 pandemic has made its impact felt on the spending patterns of consumers. In the first half of 2021, our tenants in Belgium and the Netherlands had to take into account restrictive government measures on their activities (shopping by appointment, mandatory closure) but also the impact of the closure of other inner-city functions such as culture and restaurants that, in normal circumstances, enhance the shopping experience.

From the aggregate turnover figures of our tenants in 2021, shared with Qrf, it can be concluded that for the months of January to April, when restrictive measures were in place on the opening of shops, turnover was on average 30% lower than in 2019; for the month of May, when restaurants were only partially open, turnover was on average 5% lower than in 2019; and for the month of June, when there were virtually no restrictive measures in place, turnover was on average 18% higher than in 2019.

In addition to managing the short-term impact of the COVID-19 crisis, the focus in the first half of the year remained on our strategic priorities. The company continued its strategy, also during the crisis:

### **Managing the short-term COVID-19 impact and the renewal of 19.62% of the total contractual rents**

In the first half of the year, tenants in Belgium and the Netherlands were subject to various government measures that restricted shopping: shopping by appointment, attendance restrictions, closure of restaurant outlets, etc.

In the Netherlands Qrf has made commercial concessions to its tenants for the months January, February and March. In Belgium Qrf has only made selective commercial concessions. The total impact on the rental result for the first half year of these concessions amounts to KEUR 283. On an annual basis, this represents 2.42% of the total budgeted rental income for 2021.

In the first six months of the year, 16 lease extensions were concluded for a total of MEUR 2.4 of contractual rents (19.62% of the total contractual rents), which represented a reduction of 11.38% compared to the previous three-year period. As part of these rent renewals, for some more important tenants, longer term conditions were negotiated, so that the average duration of rent security is more than three years for these contracts.



In addition, the COVID-19 crisis also has a negative impact on the value of the real estate portfolio, amounting to 5.96 MEUR as of 30/06<sup>1</sup>. This represents a relative decrease of 2.86% compared to 31 December 2020:

- On the Non-Core properties, EUR 0.12 was written down, which is a decrease of 0.51% compared to the Fair Value of the Non-Core portfolio as at 31 December 2020.
- On the Core properties, EUR 5.84 was written down, which is a decrease of 3.16% compared to the Fair Value of the Core portfolio as at 31 December 2020.

This write-down is a combination of the impact of new commercial agreements with tenants based on a lease extension, the impact of the change in transfer tax in the Netherlands and a write-down due to the current limited liquidity for larger properties as a result of the COVID-19 crisis.

#### **Continued asset rotation with two non-strategic divestments and one strategic acquisition**

In 2021, two locations have been sold to date. A structurally vacant property in Sint-Niklaas since 2018 was sold for MEUR 0.65, which means a lower value of MEUR 0.17 on the most recent Fair Value. In addition, already in 2020 a binding sales agreement was concluded regarding a non-strategic property in Ostend, A. Buylstraat 35 with the incumbent tenant to acquire the property for MEUR 0.80. The transfer of ownership will take place at the end of August 2021.

After the balance sheet date, on 20 July 2021, a binding agreement was concluded, for the acquisition of a shopping complex at Veldstraat 88 in Ghent for a total price of MEUR 9, including registration duties and costs. Until mid 2019, this property was fully let to an electronics tenant, but since then the property has been vacant. Qrf is acquiring this strategic location with a view to a commercial redevelopment that will eventually allow various functions to be accommodated in the complex. The total area is 3,900 m<sup>2</sup> on a ground surface of 950 m<sup>2</sup>. Completion of the transaction is planned for the fourth quarter of 2021.

#### **Strengthening of equity through the optional dividend and adjustments to Corporate Governance**

The shareholders of Qrf opted for 56.8% of their shares for a contribution of dividend rights over the financial year 2020 in exchange for new shares. This resulted in a strengthening of equity (capital and share premium) for MEUR 2.27 through the issue of 193,354 new shares. This brings the total number of shares to 7,346,676.

The remaining dividend rights were paid in cash for a net amount of MEUR 1.73.

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<sup>1</sup> Together with the capitalised costs of EUR 0.36 million on the premises, the total write-down as of 30/06/2021 amounts to MEUR 6.32.

In order to make this optional dividend possible and create sufficient support for this introduction, an Extraordinary General Meeting was held in the first half of the year, at which the following matters were approved:

- the conversion of Qrf from a limited partnership (Comm. VA) to a public limited company (NV) with a sole director appointed for an indefinite period;
- the adaptation of Qrf's articles of association to the new Companies and Associations Code;
- the renewal of the authorisation to acquire, hold and dispose of own shares;
- the option of optional dividend and the related increase in capital.

The company was further strengthened with specific expertise through the appointment of Mrs Stefanie Vanden Broucke as a dependent director. Mrs. Vanden Broucke has more than 18 years of experience in project development of complex inner-city mixed-use projects, first as project manager at Leiedal, then as director of development at Vanhaerents Development and most recently as general manager of Caaap.

With this appointment, Qrf expands the expertise of its Board of Directors with a profile that knows and masters the complex challenges of inner-city real estate projects, which is already relevant to the aforementioned acquisition and redevelopment Veldstraat 88 in Ghent.

#### **Outlook confirms earlier dividend forecast**

Based on the result achieved in the first half of the year and the lease renewals already completed, Qrf confirms a dividend forecast for the 2021 financial year of EUR 0.80 per share. Qrf will propose this dividend in the form of an optional dividend.

# Consolidated key figures

The first half of 2021 covers the period from 1 January 2021 to 30 June 2021.

## CONSOLIDATED KEY FIGURES

### REAL ESTATE PORTFOLIO

		30/06/2021	31/12/2020
Fair Value of investment properties including assets held for sale <sup>2</sup>	(KEUR)	201,650	208,430
Total gross surface area	(m <sup>2</sup> )	72,228	74,208
Contractual Rents on an annual basis <sup>3</sup>	(KEUR)	12,291	12,863
Estimated Rental Value of vacant premises	(KEUR)	331	318
Gross rental income <sup>4</sup>		6.09%	6.17%
Occupancy rate <sup>5</sup>		97.38%	97.59%

### BALANCE SHEET

		30/06/2021	31/12/2020
Shareholders' equity (excl. minority interests)	(KEUR)	111,473	117,506
Debt ratio (RREC Law) <sup>6</sup>		50.26%	48.79%

### PROFIT AND LOSS ACCOUNT

		30/06/2021	31/12/2020
Net rental income	(KEUR)	5,458	5,760
Operating result before result on the portfolio	(KEUR)	4,347	4,632
Operating margin <sup>7</sup>		79.63%	80.41%
Portfolio result	(KEUR)	-6,504	-6,744
Financial result	(KEUR)	-727	-1,036
Taxes	(KEUR)	358	0
Net result (group share)	(KEUR)	-2,526	-3,142
Adjustment for portfolio result	(KEUR)	6,503	6,744
Adjustment for changes in the Fair Value of the financial assets and liabilities (non-effective portion of interest rate hedges)	(KEUR)	-344	-192
Adjustment for deferred taxes relating to EPRA changes		-400	-
EPRA earnings <sup>8</sup>	(KEUR)	3,234	3,409

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 recent contract before the deduction of gratuities or other incentives allowed to the tenants.

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 in accordance with the Royal Decree of 13 July 2014 implementing the Regulated Real Estate Companies Act of 12 May 2014.

7 Operating margin = Operating result before the 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 Practice Recommendations* of the EPRA.

## CONSOLIDATED KEY FIGURES

### KEY FIGURES PER SHARE

		30/06/2021	30/06/2020
Number of shares outstanding at the end of the period		7,346,676	7,153,322
Weighted average number of shares <sup>9</sup>		7,173,619	7,153,322
Net result per share	(EUR)	-0,35	-0,44
EPRA earnings per share	(EUR)	0,45	0,48
Closing price of the share at the end of the financial year	(EUR)	12,15	11,30
IFRS NAV per share <sup>10</sup>	(EUR)	15,17	16,43
Premium/discount with regard to IFRS NAV <sup>11</sup> (end of financial year)		-19.91%	-32.10%
EPRA NTA per share <sup>12</sup>	(EUR)	15.34	16.93
Premium/discount with regard to EPRA NAV <sup>13</sup> (end of financial year)		-20.79%	-33.30%

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

12 EPRA NTA per share = *Net Tangible Assets* according to EPRA *Best Practices Recommendations*.

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

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# 1

## Notes to the consolidated results for the first half of 2021

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Lange Munt 61-63  
Belgium



# 1 Notes to the consolidated results for the first half of 2021

## 1.1 RESULTS

The **Net Rental Income** decreased to MEUR 5.46 as of 30 June 2021 compared to MEUR 5.76 (30 June 2020).

The decrease in rental income is, on the one hand, the result of a more limited COVID-19 impact compared to the first half of 2020 (MEUR 0.58), the net impact of divestments, the setting up of joint ventures and the rental income from the State Archives in Bruges (MEUR -0.53) and the like-for-like evolution in rental income (MEUR -0.35)

The total impact on the rental result for the first half year of partial waivers under COVID-19 amounts to KEUR 287. On an annual basis, this represents 2.42% of the total budgeted rental income for 2021.

The **operating result before result on portfolio** amounts to MEUR 4.35 for the first half of 2021, down 6.15% compared to the first half of 2020 (MEUR 4.63). The **operating margin** remains at a high level of 79.63%.

The **portfolio result** for the first half of 2021 amounts to MEUR -6.50 and consists of:

- a negative result on **the sale of investment property** in the amount of MEUR 0.18 realised on the sale of the structurally vacant property in Sint-Niklaas; and
- negative changes in the **Fair Value of the investment properties** amounting to MEUR 6.32.

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 (MEUR -4.58);
- a negative evolution of the Fair Value of the existing portfolio in the Netherlands (MEUR -1.74).



The **financial result** amounts to MEUR -0.73 for the first half of 2021. The main components of the financial result are:

- **net interest expenses** which decreased slightly to MEUR 1.04 for the first half of 2021. Qrf's **average cost of funding** was 1.82% in the first half of 2021 (compared to 1.85% in the first half of 2020);
- a positive **variation in the Fair Value of financial assets and liabilities** of MEUR 0.34 recorded in the income statement.

**Taxes** contributed MEUR 0.36 to the result in the first half of 2021, mainly as a result of the movement in the temporary difference between the fair value and tax value of properties in the Netherlands (MEUR 0.40).

The **Net Income (Group share)** amounted to MEUR -2.53, or EUR -0.35 per share.

After adjusting for the portfolio result and the variation in the Fair Value of financial assets and liabilities and the deferred taxes related to EPRA corrections, Qrf records an **EPRA result** for the first half of 2021 of MEUR 3.23, or a decrease of 5.14% compared to the first half of 2020 (MEUR 3.41).

The **EPRA result per share** amounts to EUR 0.45. The aforementioned impact of the COVID-19 commercial agreements has an impact of EUR 0.04 on the EPRA result per share. Consequently, the recurring EPRA result per share amounts to EUR 0.49.

## 1.2 BALANCE SHEET

The **Fair Value of the real estate portfolio** amounts to MEUR 201.65 on 30 June 2021 (compared to MEUR 208.43 on 31 December 2020):

- a write-down of MEUR 5.96<sup>1</sup> was recorded in the first half of the year,
- the property in the Stationstraat in Sint-Niklaas that has been empty since 2018 was sold,
- so that the Fair Value of the portfolio is MEUR 201.65 as at 30 June 2021.

The **Gross Rental Yield** of the portfolio is 6.09%, down slightly from 6.17% at the end of 2020.

The **Group's equity** (IFRS), i.e. excluding minority interests, fell by 5.14% from MEUR 117.51 on 31 December 2020 to MEUR 111.47 on 30 June 2021.

**IFRS NAV per share** decreases by 7.67% from EUR 16.43 on 31 December 2020 to EUR 15.17 on 30 June 2021. **EPRA NTA per share** decreases by 8.24% from EUR 16.71 to EUR 15.34 over the same period.

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<sup>1</sup> Including the write-off of capitalised costs, the write-off amounts to MEUR 6.32.

The **Debt ratio** increases from 48.79% on 31 December 2020 to 50.26% on 30 June 2021.

### 1.3 FINANCIAL STRUCTURE

#### 1.3.1 Composition of debts

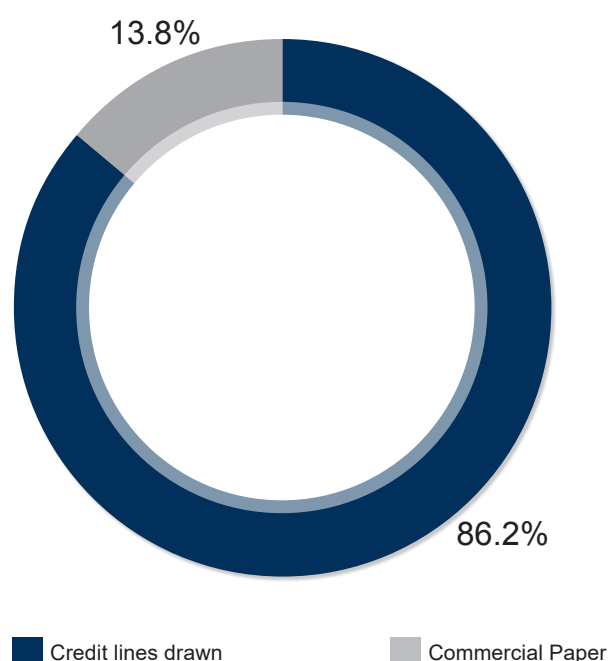
On 30 June 2021, Qrf has MEUR 116 of financial debts, consisting of:

- **Bilateral credit lines** drawn for an amount of MEUR 100. The drawn bilateral credit lines are concluded with 7 different financial institutions with well spread maturity dates between 2020 and 2026. The weighted average remaining maturity is 3.2 years.
- **Commercial Paper** for an amount of MEUR 16. The full amount of outstanding short-term treasury bills is covered by available long-term credit lines (back-up lines).

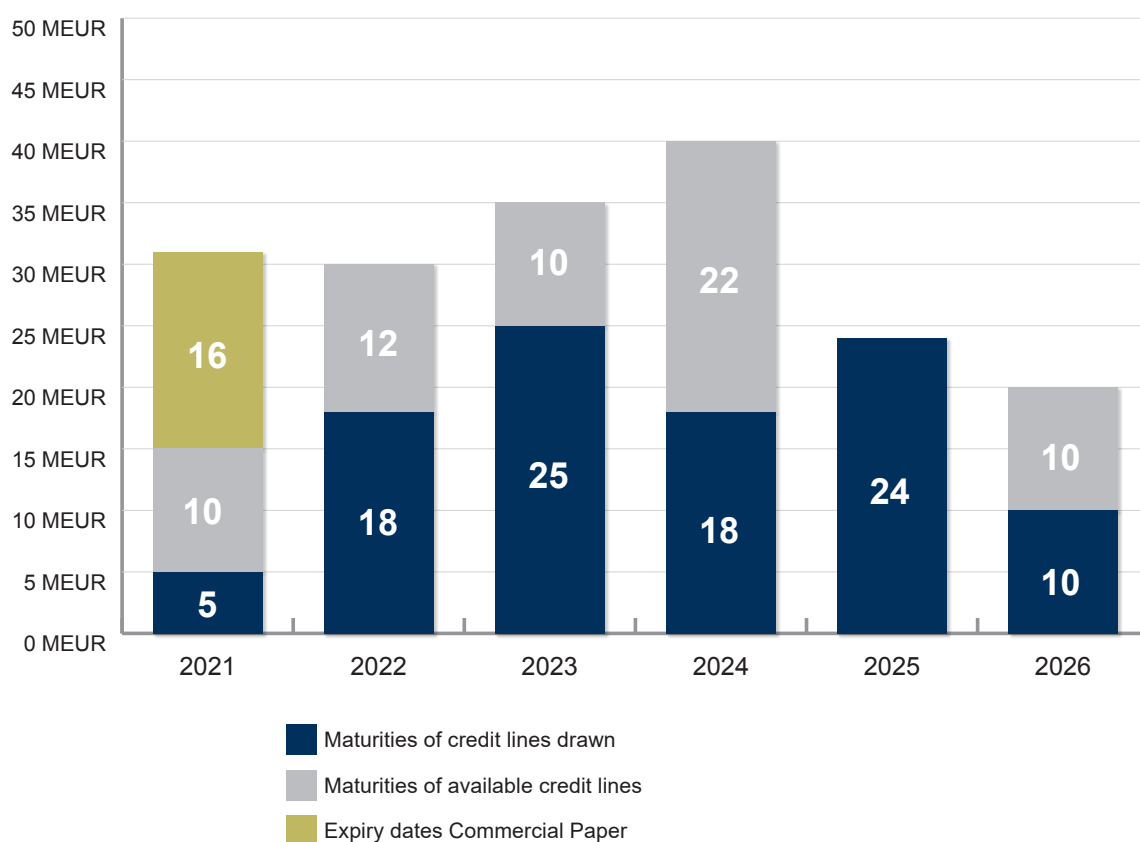
Qrf had MEUR 164 in credit lines available on 30 June 2021. The undrawn part of the available credit lines amounts to MEUR 64, of which MEUR 10 is to cover the commercial paper programme.

The Average Financing Cost is 1.81% in the first half of 2021 (compared to 1.85% in 2020).

**GRAPH 1** COMPOSITION OF FINANCIAL DEBTS AS AT 30 JUNE 2021



**GRAPH 2** MATURITIES OF DRAWN AND UNDRAWN CREDIT LINES AND COMMERCIAL PAPER AT 30 JUNE 2021 (IN MEUR)



# 2 Transactions and achievements

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# 2 Transactions and achievements

## 2.1 ACQUISITIONS, DIVESTMENTS AND OTHER ACTIVITIES

### 2.1.1 Acquisitions and divestments

A structurally vacant property in Sint-Niklaas was sold for EUR 0.65 (last fair value EUR 0.82). In addition, a binding sales agreement was concluded with regard to a non-strategic real estate in Ostend, A. Buylstraat 35 with the tenant to acquire the property for MEUR 0.80. The transfer of ownership will take place at the end of August 2021.

During the first half of the year, Qrf did not realise any acquisitions (see *Chapter 5.7 Note 16: Events after the balance sheet date for the planned acquisition of Veldstraat 88 in Ghent*).

### 2.1.2 Redevelopments

Qrf has two participations in joint venture companies for the redevelopment of inner-city mixed-use projects in Antwerp (Century Center) and Leuven (Bondgenotenlaan). For both development projects, Qrf cooperates with a specialist developer and holds 30% of the shares in the respective joint ventures for a value of MEUR 24.95.

It should be taken into account that the redevelopment of locations ensures that in the interim period (from 2021 until completion) limited rental income is realised in the joint ventures. This has a negative effect on the EPRA result in the short term, but creates substantial shareholder value in the medium term.

Qrf expects an annual return (IRR) on both projects that is higher than the existing rental return. However, as it concerns development projects in joint ventures, this annual return will not be reflected in the EPRA figures during the years of development, and the return will be realised upon sale of both projects.

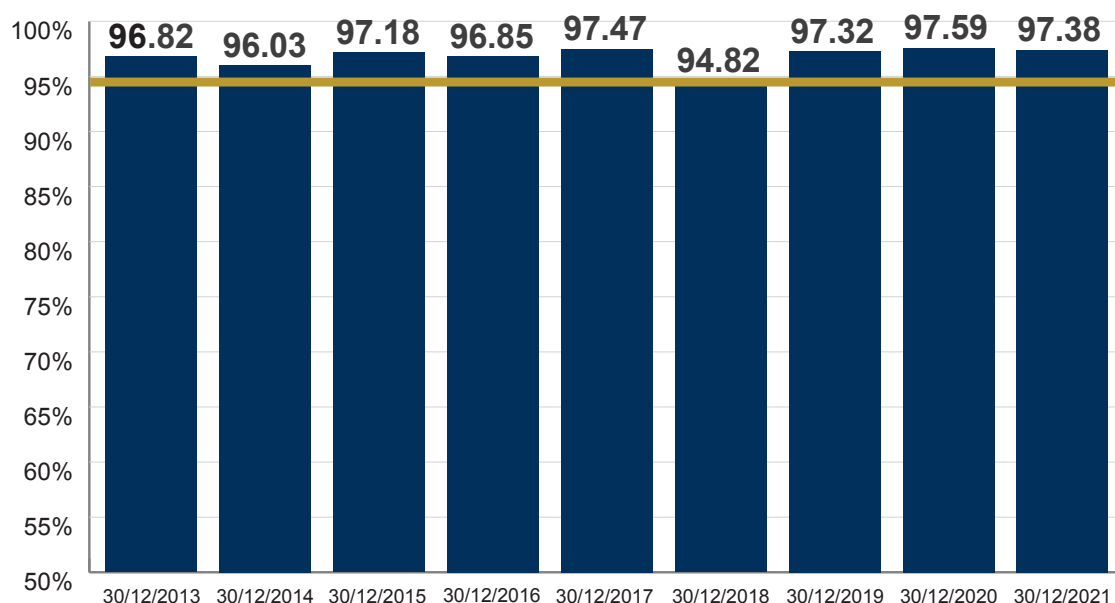
Both projects are in the final stages of the permitting process and have a similar duration, with expected completion in 2023.

### 2.1.3 Rental activities

Within its portfolio of 36 sites leased to some 100 tenants, Qrf managed to maintain the Occupancy Rate in the first half of 2021. On 30 June 2021, the Occupancy Rate<sup>1</sup> of the portfolio was 97.44%, (compared to 97.59% on 31 December 2020).

In the first six months of the year, 16 lease extensions were concluded for a total of MEUR 2.4 of contractual rents (19.62% of the total contractual rents), which represented a reduction of 11.38% compared to the previous three-year period. As part of these rent renewals, for some more important tenants longer term conditions were negotiated, so that the average duration of rent security is more than three years for these contracts.

GRAPH 1 EVOLUTION OCCUPANCY RATE



<sup>1</sup> Occupancy Rate = (Annualised Contractual Rents) / (Annualised Contractual Rents increased by the Estimated Rental Value of vacant space). The occupancy rate is calculated starting in 2018 excluding the two development projects (Leuven and Century Center).

## **2.2 OUTLOOK 2021**

Based on the result achieved in the first half of the year and the lease renewals already completed, Qrf confirms a dividend forecast for the 2021 financial year of EUR 0.80 per share. Qrf will propose this dividend in the form of an optional dividend.



# 3 Qrf on the stock exchange

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# America Today 43rd



Den Bosch

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# 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 manner, without having to worry about the management, which is carried out by professional teams.

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 30 June 2021, the authorised capital of Qrf was represented by 7,346,676 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 any shares of Qrf.



## 3.2 SHARE PRICE EVOLUTION AND VOLUME TRADED

TABLE 1. OVERVIEW OF THE EVOLUTION OF THE QRF SHARE

	30/06/2021	30/06/2020
Number of shares in issue at the end of the financial year	7,346,676	7,153,322
Registered shares	2,972,473	2,862,963
Dematerialised shares	4,374,203	4,290,359
Market capitalisation at the end of the financial year (in EUR)	89,262,113	80,832,539
Free float <sup>1</sup>	62.5%	62.8%
Share price (in EUR)		
Highest	13.80	16.85
Lowest	11.00	9.22
At the end of the period	12.15	11.30
Average	12.07	12.94
Volume (in number of shares)		
Average daily volume	4,277	5,021

GRAPH 1 EVOLUTION OF THE QRF SHARE PRICE



<sup>1</sup> Free float =  $\frac{[(\text{Number of shares at year-end}) - (\text{Total number of shares held by parties that have made themselves known through a transparency declaration in accordance with the Act of 2 May 2007})]}{[\text{Number of shares at year-end}]}$ .

### 3.3 SHAREHOLDING

On 30 June 2021, Qrf had 7,346,676 outstanding shares. Based on the transparency notifications received by Qrf, the shareholder structure is as follows:

TABLE 2. QRF SHAREHOLDER STRUCTURE ON 30 JUNE 2021

SHAREHOLDERS	SHARES	PERCENTAGE
AXA SA	633,680	8.6%
Family Vanmoerkerke	2,122,336	28.9%
Free float	4,590,660	62.5%
<b>TOTAL</b>	<b>7,346,676</b>	<b>100.0%</b>

### 3.4 FINANCIAL CALENDAR FOR 2021 AND 2022

TABLE 3. FINANCIAL CALENDAR QRF

	DATUM
Publication update 3rd quarter 2021	29/10/2021
Publication press release annual results 2021	25/02/2022
Publication update 1st quarter 2022	29/04/2022
General Meeting of Shareholders	17/05/2022
Publication of half-yearly results and half-yearly report 2022	29/07/2022
Publication update 3rd quarter 2022	28/07/2022

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



# 4 Property report

<b>4.1 DISCUSSION OF THE CONSOLIDATED PROPERTY PORTFOLIO ON 30 JUNE 2021 .....</b>	<b>28</b>
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Hasselt

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# 4 Property report

## 4.1 DISCUSSION OF THE CONSOLIDATED PROPERTY PORTFOLIO ON 30 JUNE 2021

On 30 June 2021, the consolidated real estate portfolio consisted of 36 sites with a total gross area of 72,228 m<sup>2</sup> and a Fair Value of MEUR 201.65. The portfolio generates MEUR 12.29 Contractual Rents on an annual basis, of which MEUR 10.89 in Belgium and MEUR 1.41 in the Netherlands.

Expressed in Fair Value, on 30 June 2021 89% of the portfolio was located in Belgium and 11% in the Netherlands.

The Gross Rental Yield based on the Contractual Rents is 6.09% as at 30 June 2021.

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 30/06/2021	ERV 30/06/2021	CONTRACTUAL RENTALS	GROSS RENTAL YIELD BASED ON CONTRACTUAL RENTS
Core	26	179,220,000	8,802,333	10,861,847	6.06%
Non-Core	10	22,430,000	1,528,180	1,428,707	6.37%
<b>TOTAL</b>	<b>36</b>	<b>201,650,000</b>	<b>10,330,513</b>	<b>12,290,554</b>	<b>6.09%</b>



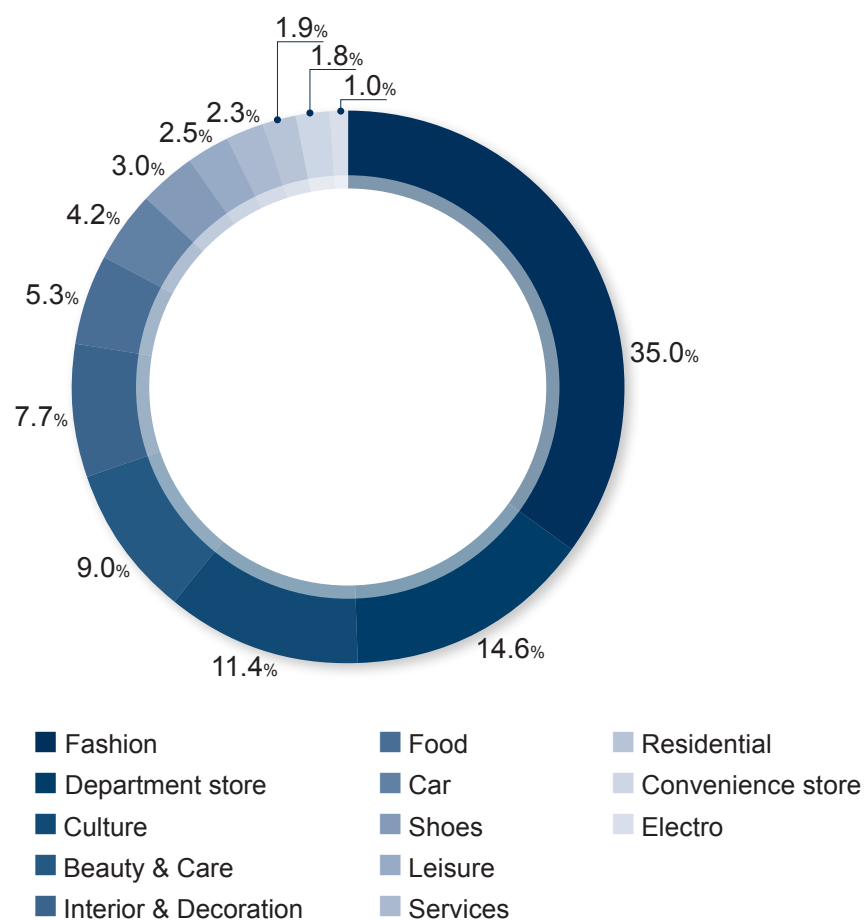
**TABLE 2** OVERVIEW CORE AND NON-CORE PORTFOLIO PER LOCATION

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-Truiden - Luikerstraat 49-51
Ghent - Langemunt 61-63	Tongeren - Maastrichterstraat 20a-20b
Hasselt - Demerstraat 21-25	Ukkel - Alsebergsesteenweg 767
Hasselt - Koning Albertstraat 48-50	
Huy - Shopping Mosan	
Mechelen - Bruul 15	
Ostend - Adolf Buylstraat 1A	
Ostend - Adolf Buylstraat 33	
Ostend - Adolf Buylstraat 35 (1)	
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) Premises divested after balance sheet date 30 June 2021.

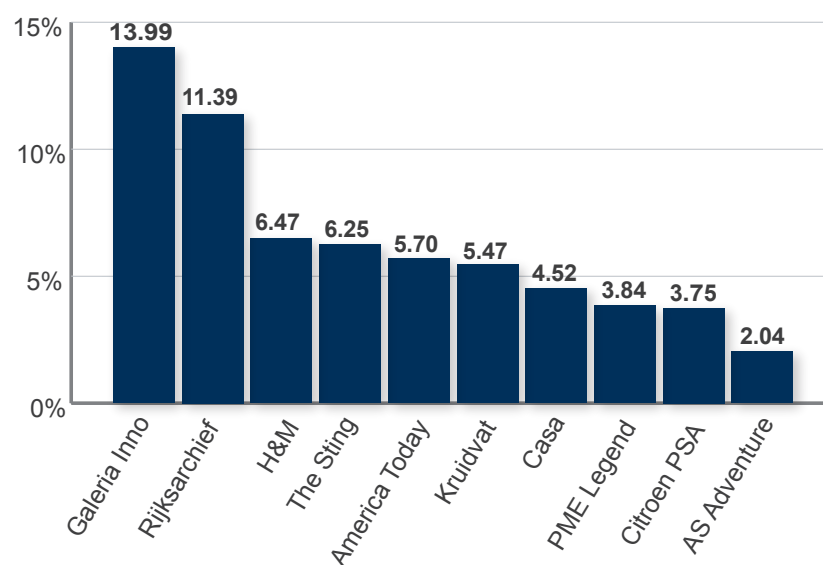
As illustrated in the figure below, the Fashion sector accounts for 35.03% of total Contractual Rentals on an annual basis. This sector is followed by Department Stores with 14.59% and Culture with 11.39%.

**GRAPH 1** SECTOR DISTRIBUTION OF THE PROPERTY PORTFOLIO AS AT 30 JUNE 2021 (EXPRESSED AS AN ANNUAL PERCENTAGE OF CONTRACTUAL RENTS)



The chart below shows the annualised Contractual Rentals broken down further by Qrf's main customers.

**GRAPH 2** DISTRIBUTION OF THE PROPERTY PORTFOLIO BY TENANTS AS AT 30 JUNE 2021 (EXPRESSED AS AN ANNUAL PERCENTAGE OF CONTRACTUAL RENTS)



Qrf's 10 major tenants together represent 52% of the total Contractual Rentals on an annual basis.

## 4.2 CONCLUSIONS OF THE PROPERTY EXPERT

Qrf's property portfolio is valued by Cushman & Wakefield.

We are honoured to submit to you our estimate of the fair value of Qrf's property portfolio as at 30 June 2021.

After a careful analysis of the market and taking into account the assumptions we have made, we can report the following:

Fair Market Value (rounded), net of transaction costs:

TOTAL	Belgium	Netherlands
201,650,000 EUR	178,970,000 EUR	22,680,000 EUR

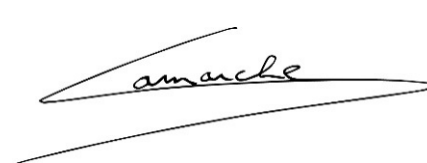
Yours sincerely,

For the part of the real estate portfolio located in Belgium

**Nils Goedeweck**  
Valuer  
Valuation & Advisory



**Gregory Lamarche MRICS**  
Associate  
Valuation & Advisory



For the part of the property portfolio located in the Netherlands

**Cushman & Wakefield V.O.F.**



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



# 5 Consolidated condensed financial statements for the first half of 2021

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Ostend  
Adolf Buylstraat  
Belgium



# 5 Consolidated condensed financial statements for the first half of 2021

## 5.1 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### A. CONSOLIDATED INCOME STATEMENT

FIGURES IN THOUSANDS OF EUR

	Notes	30/06/2021	30/06/2020
(+) I. Rental income		5,547	6,629
(+) II. Writeback of leased payments sold and discounted		0	0
(+/-) III. Rental charges		-88	-869
<b>NET RENTAL INCOME</b>		<b>5,458</b>	<b>5,760</b>
(+) IV. Recovery of property charges		0	0
(+) V. Recovery of rental charges and taxes normally payable by tenants on let properties		184	151
(-) VI. Costs payable by the tenants and borne by the owner on the rental damage and refurbishment at end of lease		0	0
(-) VII. Rental charges and taxes normally payable by tenants on let properties		-263	-227
(+/-) VIII. Other rental related income and charges		0	0
<b>PROPERTY RESULT</b>	<b>3</b>	<b>5,378</b>	<b>5,685</b>
(-) IX. Technical costs		-112	-61
(-) X. Commercial costs		-48	-62
(-) XI. Charges and taxes of unlet properties		-20	-6
(-) XII. Property management costs		-84	-127
(-) XIII. Other property charges		0	0
<b>PROPERTY CHARGES</b>		<b>-264</b>	<b>-256</b>
<b>PROPERTY OPERATING RESULT</b>		<b>5,114</b>	<b>5,429</b>
(-) XIV. General company expenses		-844	-804
(+/-) XV. Other operating income and charges		77	7
<b>OPERATING RESULT BEFORE PORTFOLIO RESULT</b>		<b>4,347</b>	<b>4,632</b>
(+/-) XVI. Result on disposals of investment properties		-183	46
(+/-) XVII. Result on disposals of other non-financial assets		0	0
(+/-) XVIII. Changes in Fair Value of investment properties		-6,321	-6,790
(+/-) XIX. Other portfolio result		0	0
<b>PORTFOLIO RESULT</b>	<b>4</b>	<b>-6,504</b>	<b>-6,744</b>
<b>OPERATING RESULT</b>		<b>-2,157</b>	<b>-2,112</b>
(+) XX. Financial income		6	5
(-) XXI. Net interest charges		-1,038	-1,079
(-) XXII. Other financial charges		-39	-155
(+/-) XXIII. Changes in Fair Value of financial assets and liabilities		344	192
<b>FINANCIAL RESULT</b>	<b>5</b>	<b>-727</b>	<b>-1,036</b>
(+/-) XXIV. Share in the profit or loss of associates and joint ventures		0	0

<b>PROFIT BEFORE TAXES</b>		<b>-2,883</b>	<b>-3,148</b>
(+/-) XXV. Corporate tax		358	0
(+/-) XXVI. Exit tax		0	0
<b>TAXES</b>		<b>0</b>	<b>0</b>
<b>NET PROFIT</b>		<b>-2,526</b>	<b>-3,148</b>
Attributable to:			
Shareholders of the group		-2,526	-3,142
Minority interests		0	-6
Notes:			
<b>NET RESULT (GROUP SHARE)</b>		<b>-2,526</b>	<b>-3,142</b>
Result on the portfolio		6,504	6,744
Changes in the Fair Value of financial assets and liabilities		-344	-192
Deferred taxes relating to EPRA changes		-400	
<b>EPRA EARNINGS*</b>		<b>3,234</b>	<b>3,409</b>

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

## 5.2 RESULT PER SHARE - GROUP SHARE

FIGURES IN THOUSANDS OF EUR	Notes	30/06/2021	30/06/2020
Number of ordinary shares at the end of the period		7,346,676	7,153,322
Weighted average number of shares during the period		7,173,619	7,153,322
<b>NET EARNINGS PER ORDINARY SHARE - GROUP SHARE (in EUR)</b>		<b>-0.35</b>	<b>-0.44</b>
<b>DILUTED NET EARNINGS PER SHARE - GROUP SHARE (in EUR)</b>		<b>-0.35</b>	<b>-0.44</b>



### 5.3 CONDENSED CONSOLIDATED BALANCE SHEET

FIGURES IN THOUSANDS OF EUR

	Notes	30/06/2021	31/12/2020
<b>ASSETS</b>			
<b>I. FIXED ASSETS</b>		<b>228,018</b>	<b>234,721</b>
A Goodwill		0	0
B Intangible fixed assets		89	9
C Investment properties	6	201,650	208,430
D Other tangible fixed assets		22	25
E Financial assets		26,257	26,257
F Finance lease receivables		0	0
G Trade receivables and other fixed assets		0	0
H Deferred tax assets		0	0
I Investments in associated companies and joint ventures equity method		0	0
<b>II. CURRENT ASSETS</b>		<b>5,341</b>	<b>4,824</b>
A Assets classified as held for sale	7	0	0
B Current financial assets		0	0
C Finance lease receivables		0	0
D Trade receivables		1,816	1,310
E Tax receivables and other current assets		1,675	1,606
F Cash and cash equivalents		1,650	1,727
G Deferred charges and accrued income		200	181
<b>TOTAL ASSETS</b>		<b>233,359</b>	<b>239,545</b>

FIGURES IN THOUSANDS OF EUR

	Notes	30/06/2021	31/12/2020
<b>LIABILITIES</b>			
<b>EQUITY</b>		<b>111,471</b>	<b>117,507</b>
<b>I. Equity attributable to shareholders of the parent company</b>		<b>111,471</b>	<b>117,507</b>
A Capital	8	6,954	6,823
a. Issued capital		7,347	7,153
b. Costs for capital increase		-393	-331
B Issue premiums		151,948	149,867
C Reserves		-44,905	-33,869
D Net result for the financial year		-2,525	-5,314
<b>II. Minority interests</b>		<b>0</b>	<b>0</b>
<b>LIABILITIES</b>		<b>121,888</b>	<b>122,039</b>
<b>I. Non-current liabilities</b>		<b>79,382</b>	<b>107,986</b>
A Provisions		0	0
B Non-current financial debts	9	76,902	104,952
a. Credit institutions		76,902	104,952
b. Financial leasing		0	0
c. Other		0	0
C Other non-current financial liabilities		1,360	1,767
D Trade debts and other non-current debts		0	0
E Other non-current liabilities		0	108
F Deferred taxes - liabilities		1,120	1,160
a. Exit tax		1,120	1,160
b. Other		0	0
<b>II. Current liabilities</b>		<b>42,505</b>	<b>14,052</b>
A Provisions		0	0
B Current financial debts		39,000	10,548
a. Credit institutions		0	0
b. Financial leasing		0	0
c. Other		0	0
C Other current financial liabilities		0	0
D Trade debts and other current debts		722	615
a. Exit tax		0	0
b. Other		722	615
E Other current liabilities		661	661
F Accrued charges and deferred income		2,122	2,228
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>233,359</b>	<b>239,545</b>

## 5.4 CONSOLIDATED CASH FLOW STATEMENT

FIGURES IN THOUSANDS OF EUR	Notes	30/06/2021	30/06/2020
<b>CASH AND CASH EQUIVALENTS OPENING BALANCE SHEET</b>		<b>1,727</b>	<b>2,483</b>
<b>1. Cashflow from operating activities</b>		<b>2,822</b>	<b>2,731</b>
Net result		-2,525	-3,142
Non-paid interest and bank charges		283	270
<b>Adaptation of the result for non-cash flow transactions</b>		<b>6,786</b>	<b>6,791</b>
- Depreciation on capitalized financing charges		0	9
- Depreciation on intangible and other tangible fixed assets		-2	7
- Result from the sale of investment properties	4	170	-46
- Increase/decrease of receivable invoices (+/-)		132	141
- Changes in Fair Value of investment properties and project developments	4	6,321	6,790
- Changes in Fair Value of financial assets and liabilities		165	-110
<b>Changes in working capital requirements:</b>		<b>-1,722</b>	<b>-1,188</b>
Movement of assets:		-594	-1,313
- Trade receivables		-506	-1,928
- Tax receivables and other current assets		-69	594
- Deferred charges and accrued income		-18	21
Movement of liabilities:		-1,129	125
- Other current financial liabilities		-40	-5
- Trade debts and other current debts		107	-391
- Other current liabilities (incl. tax debt)		-679	1
- Deferred charges and accrued income		-517	520
<b>2. Cash flow resulting from investment activities</b>		<b>211</b>	<b>15,673</b>
Purchase of intangible and other tangible fixed assets		-78	-14
Investments in existing properties		-361	-400
Receipts from the disposal of investment properties	4	650	16,087
<b>3. Cash flow from financing activities</b>		<b>-3,110</b>	<b>-18,223</b>
Loan repayment		0	-12,500
Loan acquisition	9	402	0
Costs for capital increase		-62	0
Dividends paid		-3,449	-5,723
Payment of transaction fees		0	0
<b>CASH AND CASH EQUIVALENTS CLOSING BALANCE SHEET</b>		<b>1,650</b>	<b>2,664</b>

## 5.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FIGURES IN THOUSANDS OF EUR	Capital	Cost of Capital increase	Issue premiums	Reserves	Net result of the financial year	Minority interests	Equity
<b>BALANCE SHEET ON 31 DECEMBER 2020</b>	<b>7,153</b>	<b>-331</b>	<b>149,867</b>	<b>-33,870</b>	<b>-5,314</b>	<b>0</b>	<b>117,506</b>
Appropriation of result 2020	194		2,081	-11,036	5,314		-3,448
Transfer of portfolio result to reserves				-12,964	12,964		-
Transfer of operating result to reserves				1,586	-1,586		-
Transfer of changes in Fair Value of financial instruments				342	-342		-
Dividend financial year 2020	194		2,081		-5,723		-3,448
Net result for 2021					-2,525		-2,525
Other elements recognized in the comprehensive result	-	-	-	-	-	-	-
Impact on Fair Value of estimated transaction costs upon hypothetical disposal of investment properties							-
Changes in Fair Value of properties							-
Reserve for the impact on the Fair Value of financial instruments							-
Cost of capital increase through optional dividend CP 7	-62	-62					-62
<b>BALANCE SHEET ON 30 JUNE 2021</b>	<b>7,347</b>	<b>-391</b>	<b>151,948</b>	<b>-44,905</b>	<b>-2,525</b>	<b>0</b>	<b>111,471</b>

## 5.6 DETAIL OF THE CONSOLIDATED RESERVES

FIGURES IN THOUSANDS OF 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
<b>BALANCE SHEET ON 31 DECEMBER 2020</b>	-	-27,543	-7,182	-	-1,443	14	-	2,285	-33,870
Processing of net result 2020	0	-14,648	1,684		342	0	0	1,586	-11,036
Transfer of portfolio result to reserves		-14,648	1,684						-12,694
Transfer of operating result to reserves								1,586	1,586
Transfer of changes in Fair Value of financial instruments					342				342
Other elements recognized in the comprehensive result	0	0	0	0	0	0	0	0	0
Changes in Fair Value of properties									0
Changes in Fair Value of financial assets and liabilities									0
<b>BALANCE SHEET ON 30 JUNE 2021</b>	-	-42,191	-5,498	-	-1,101	14	-	3,871	-44,905

## 5.7 NOTES

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## NOTE 1. ACCOUNTING POLICIES

### N 1.1 GENERAL

The financial reporting of Qrf is prepared in accordance with IFRS as approved within the European Union and in accordance with the provisions of the RREC Act.

This interim financial information for the period ended 30 June 2021 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 year ended 31 December 2020. Qrf did not incorporate any new IFRS standards or interpretations into its accounting policies during the first half of 2021 and the accounting policies applied for the preparation of the interim financial statements are identical to those applied for the financial year ended 31 December 2020.

No statutory half-yearly financial report is prepared as at 30 June. The statutory financial statements are only prepared at year-end.

## NOTE 2. SEGMENT INFORMATION

		30/06/2021		Non-attributed amounts	TOTAL
FIGURES IN THOUSANDS OF EUR		BELGIUM	NETHERLANDS		
NET RENTAL INCOME		4,854	605	0	5,458
PROPERTY RESULT		4,836	542	0	5,378
PROPERTY CHARGES		-233	-31	0	-264
OPERATING PROPERTY RESULT		4,603	511	0	5,114
(-) General company expenses		-47	-8	-789	-844
(+/-) Other operating income and charges		0	0	77	77
OPERATING RESULT BEFORE THE RESULT ON THE PORTFOLIO		4,556	503	-712	4,347
(+/-) Result on disposals of investment properties		-183	0	0	-183
(+/-) Changes in Fair Value of investment properties		-4,576	-1,745	0	-6,321
(+/-) Other portfolio result		0	0	0	0
OPERATING RESULT		-203	-1,242	-712	-2,157
FINANCIAL RESULT		0	0	-727	-727
RESULT BEFORE TAXES		-203	-1,242	-1,439	-2,883
TAXES		0	0	358	358
NET RESULT		-203	-1,242	-1,081	-2,525
MINORITY INTERESTS		0	0	0	0

	30/06/2021			
FIGURES IN THOUSANDS OF EUR	BELGIUM	NETHERLANDS	Non-attributed amounts	TOTAL
<b>NET RESULT - GROUP SHARE</b>	<b>-203</b>	<b>-1,242</b>	<b>-1,081</b>	<b>-2,525</b>
<b>ASSETS</b>				
Investment properties	178,970	22,680	0	201,650
Other assets	0	0	31,710	31,710
<b>TOTAL ASSETS</b>	<b>178,970</b>	<b>22,680</b>	<b>31,710</b>	<b>233,359</b>
<b>LIABILITIES</b>				
<b>EQUITY</b>	<b>0</b>	<b>0</b>	<b>111,471</b>	<b>111,471</b>
Group equity	0	0	111,471	111,471
Minority interests	0	0	0	0
<b>LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>121,888</b>	<b>121,888</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>233,359</b>	<b>233,359</b>
	30/06/2020			
FIGURES IN THOUSANDS OF EUR	BELGIUM	NETHERLANDS	Non-attributed amounts	TOTAL
<b>NET RENTAL INCOME</b>	<b>5,212</b>	<b>548</b>	<b>0</b>	<b>5,760</b>
<b>PROPERTY RESULT</b>	<b>5,210</b>	<b>475</b>	<b>0</b>	<b>5,684</b>
<b>PROPERTY CHARGES</b>	<b>-181</b>	<b>-75</b>	<b>0</b>	<b>-256</b>
<b>OPERATING PROPERTY RESULT</b>	<b>5,029</b>	<b>400</b>	<b>0</b>	<b>5,429</b>
(-) General company expenses	-17	-16	-771	-804
(+/-) Other operating income and charges	0	0	7	7
<b>OPERATING RESULT BEFORE THE RESULT ON THE PORTFOLIO</b>	<b>5,012</b>	<b>384</b>	<b>-764</b>	<b>4,632</b>
(+/-) 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
<b>OPERATING RESULT</b>	<b>-622</b>	<b>-726</b>	<b>-764</b>	<b>-2,112</b>
<b>FINANCIAL RESULT</b>	<b>0</b>	<b>0</b>	<b>-1,036</b>	<b>-1,036</b>
<b>RESULT BEFORE TAXES</b>	<b>-622</b>	<b>-726</b>	<b>-1,800</b>	<b>-3,148</b>
<b>TAXES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET RESULT</b>	<b>-622</b>	<b>-726</b>	<b>-1,800</b>	<b>-3,142</b>
<b>MINORITY INTERESTS</b>	<b>-6</b>	<b>0</b>	<b>0</b>	<b>-6</b>
<b>NET RESULT - GROUP SHARE</b>	<b>-616</b>	<b>-726</b>	<b>-1,800</b>	<b>-3,142</b>

	30/06/2020			
FIGURES IN THOUSANDS OF EUR	BELGIUM	NETHERLANDS	Non-attributed amounts	TOTAL
<b>ASSETS</b>				
Investment properties	167,571	25,730	0	193,301
Other assets	0	0	42,254	42,254
<b>TOTAL ASSETS</b>	<b>167,571</b>	<b>25,730</b>	<b>42,254</b>	<b>235,555</b>
<b>LIABILITIES</b>				
<b>EQUITY</b>	<b>0</b>	<b>0</b>	<b>119,366</b>	<b>119,366</b>
Group equity	0	0	119,085	119,085
Minority interests	0	0	281	281
<b>LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>116,189</b>	<b>116,189</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>235,555</b>	<b>235,555</b>

The Board of Directors is the decision-making body and the body that measures the performance of the various segments. The Board of Directors looks at the results on a geographical level.

### NOTE 3. PROPERTY RESULT

FIGURES IN THOUSANDS OF EUR	30/06/2021	30/06/2020
(+) I. Rental income	5,547	6,629
- Rent	5,547	6,629
- Guaranteed income	0	0
(+) II. Writeback of leased payments sold and discounted	0	0
(+/-) III. Rental related expenses	-89	-869
- Write-downs on trade receivables	-160	-875
- Reversals of write-downs on trade receivables	71	5
<b>NET RENTAL INCOME</b>	<b>5,458</b>	<b>5,760</b>
(+) IV. Recovery of property charges	0	0
(+) V. Recovery of rental charges and taxes normally paid by tenants on let properties	184	151
- Rebilling of rental charges borne by the owner	199	24
- Rebilling of advance levies and taxes on let properties	-15	127
(-) VI. Costs payable by the tenants and borne by the owner on the rental damage and refurbishment at end of lease	0	0
(-) VII. Rental charges and taxes normally paid by tenants on let properties	-263	-227
- Rental charges borne by the owner	-199	-81
- Advance levies and charges on let properties	-64	-145
(+/-) VIII. Other rental related income and expenses	0	0
<b>PROPERTY RESULT</b>	<b>5,379</b>	<b>5,685</b>

The present value of the future Rental Income up to the first expiry date of the leases has the following collection periods:

FIGURES IN THOUSANDS OF EUR	30/06/2021	30/06/2020
<b>OVERVIEW OF THE CONTRACTUAL RENT TO INITIAL MATURITY</b>		
Within a year	12,030	11,251
Between one and five years	10,640	11,767
More than five years	21,193	2,706
<b>TOTAL</b>	<b>43,863</b>	<b>25,724</b>

In Belgium, most Qrf leases are commercial leases for a period of 9 years, in principle terminable by the lessee at the end of the third and sixth year subject to 6 months' notice before the expiry date.

In the Netherlands, most Qrf leases are commercial leases for a period of 5 years, which may contractually provide an option to renew on the part of the lessee for a period of 5 or 10 years, with an option to terminate on the part of the lessee at the end of the first period, as well as at the end of each subsequent period.

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

Rents are usually paid monthly (sometimes quarterly) in advance and are usually indexed on the due date. Taxes and fees (including property tax) and common costs are in principle borne by the tenant.

At the start of the agreement, an inventory of premises is drawn up between the parties by an independent expert. At the end of the agreement, the tenant must return the rented premises in the condition described in the inventory upon entry, subject to normal wear and tear. The tenant may not transfer the lease agreement or sublet the premises in whole or in part without the prior written consent of the lessor. The tenant is obliged to register the agreement at his expense.

#### NOTE 4. PORTFOLIO RESULT

FIGURES IN THOUSANDS OF EUR	30/06/2021	30/06/2020
<b>(+/-) XVI. Result on disposals of investment properties</b>	<b>-183</b>	<b>46</b>
- Net sales of properties (selling price - transaction costs)	637	21,397
- Asset value of the sold properties	-820	-21,351
<b>(+/-) XVII. Result on disposals of other non-financial assets</b>	<b>0</b>	<b>0</b>
<b>(+/-) XVIII. Changes in Fair Value of investment properties</b>	<b>-6,321</b>	<b>-6,790</b>
- Positive changes in Fair Value of investment properties	960	900
- Negative changes in Fair Value of investment properties	-7,281	-7,690
<b>(+/-) XIX. Other portfolio result</b>	<b>0</b>	<b>0</b>
<b>PORTFOLIO RESULT</b>	<b>-6,504</b>	<b>-6,744</b>



## NOTE 5. FINANCIAL RESULT

FIGURES IN THOUSANDS OF EUR

	30/06/2021	30/06/2020
(+) <b>XX. Financial income</b>	<b>6</b>	<b>5</b>
- Interest and dividends received	0	5
- Compensation for damages	6	0
(-) <b>XXI. Net interest charges</b>	<b>-1,038</b>	<b>-1,079</b>
- Nominal interest charges on loans	-740	-748
- Costs of permitted hedging instruments	-298	-331
- Other interest charges	0	0
(-) <b>XXII. Other financial charges</b>	<b>-39</b>	<b>-155</b>
- Bank charges and other commissions	-43	-155
- Negligence interest	-1	0
- Payment differences	5	0
(+/-) <b>XXIII. Changes in Fair Value of financial assets and liabilities</b>	<b>334</b>	<b>192</b>
- Authorized hedging instruments subject to hedge accounting as defined IFRS	-5	0
- Other	339	192
<b>FINANCIAL RESULT</b>	<b>-737</b>	<b>-1,036</b>

Qrf is exposed to possible increases in its financial costs that may be caused by a rise in interest rates. In order to limit this risk, Qrf has partly converted the floating interest rates into fixed interest rates by means of Interest Rate Swaps. The maturity of these financial instruments is aligned with the maturity of Qrf's loans. If interest rates fall sharply in the long term, the market value of these Interest Rate Swaps can become strongly negative.

The derivatives currently used by Qrf no longer qualify as cash flow hedges. The changes in the Fair Value of the derivatives that do not qualify as cash flow hedges are immediately recognised in the result.

The cost of funding for the first half of 2021 was 1.81%, including credit margins and the cost of hedging instruments. As at 30 June 2021, 89.66% of the debts drawn down had a fixed interest rate, among other things by using Interest Rate Swaps as hedging instruments.

## NOTE 6. INVESTMENT PROPERTY

FIGURES IN THOUSANDS OF EUR

	30/06/2021	31/12/2020
<b>INVESTMENT TABLE</b>		
<b>Balance at the beginning of the financial year</b>	<b>208,430</b>	<b>206,100</b>
Acquisition by purchase or contribution of investment companies	0	20,770
Acquisition by purchase or contribution of investment properties	0	0
Other elements recognized in the result	0	0
Book value of sold investment properties	-820	-6,410
Transfer to assets held for sale	0	0
Capitalized expenditures (Capex)	361	985
Change in Fair Value of investment properties	-6,321	-13,015
<b>Balance at end of period</b>	<b>201,650</b>	<b>208,430</b>

## NOTE 7. CAPITAL

FIGURES IN THOUSANDS OF EUR		Capital movement	Total outstanding capital	Issue premiums	Costs of capital increase	Number of shares issued	Total number of shares
CAPITAL							
Date	Transaction						
03/09/2013	Creation	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	-20	193,097	3,466,008
08/12/2015	Capital increase by contribution in kind	14,733	95,312	608	-8	633,680	4,099,688
09/12/2015	Capital increase by contribution in kind	8,913	104,225	37	-5	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	-27	325,466	4,808,517
21/12/2016	Capital increase by contribution in kind	7,470	119,262	206	-28	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	-27	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 due to change in 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	-179	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
Date	Transaction						
11/06/2021	Capital increase through optional dividend coupon 7	193	7,347	2,080	-62	193,354	7,346,676
BALANCE SHEET ON 31 JUNE 2021			7,347	151,948	-393		7,346,676

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

## NOTE 8. FINANCIAL DEBTS

FIGURES IN THOUSANDS OF EUR	30/06/2021	31/12/2020
<b>FINANCIAL DEBTS</b>		
<b>I. B. Non-current financial debts</b>	<b>76,902</b>	<b>104,952</b>
-Credit institutions	77,000	105,000
-Cost of borrowings	-98	-48
<b>II. B. Current financial debts</b>	<b>39,000</b>	<b>10,548</b>
-Credit institutions	39,000	10,549
-Cost of borrowings		-1
<b>TOTAL</b>	<b>115,902</b>	<b>115,500</b>
FIGURES IN THOUSANDS OF EUR	30/06/2021	31/12/2020
<b>BREAKDOWN BY MATURITY OF NON-CURRENT FINANCIAL DEBTS</b>		
Between one and two years	0	18,000
Between two and five years	77,000	77,000
More than five years	0	10,000
<b>TOTAL</b>	<b>77,000</b>	<b>105,000</b>
FIGURES IN THOUSANDS OF EUR	30/06/2021	31/12/2020
<b>UNDRAWN CREDIT LINES</b>		
Payable within one year	10,000	10,000
Payable after one year	54,000	44,000
<b>TOTAL</b>	<b>64,000</b>	<b>54,000</b>
FIGURES IN THOUSANDS OF EUR	30/06/2021	31/12/2020
<b>ESTIMATED FUTURE INTEREST CHARGES ON BORROWINGS</b>		
Within one year	2,044	2,044
Between one and five years	3,968	3,968
More than five years	114	114
<b>TOTAL</b>	<b>6,126</b>	<b>6,126</b>

The estimation of future interest expenses takes into account the financial debts recorded as at 30 June 2021, interest coverage in accordance with the current contracts and applicable margin over the fixed interest rate.

## NOTE 9. FINANCIAL ASSETS AND LIABILITIES

FIGURES IN THOUSANDS OF EUR		31/12/2020	31/12/2020	
	Category	Asset value	Fair Value	Fair Value
<b>STATEMENT OF FINANCIAL ASSETS AND LIABILITIES</b>				
<b>ASSETS</b>				
<b>Current financial assets</b>				
Trade receivables	B	1,310	1,310	Level 2
Tax receivables and other current assets	B	1,606	1,606	Level 2
Cash and cash equivalents	C	1,727	1,727	Level 1
<b>TOTAL FINANCIAL ASSETS</b>		<b>4,643</b>	<b>4,643</b>	
<b>LIABILITIES</b>				
<b>Non-current financial liabilities</b>				
Non-current financial debts	B	104,952	104,952	Level 2
<b>Other non-current financial liabilities</b>				
Received deposits	B	108	108	Level 2
<b>Other non-current financial liabilities</b>				
Other non-current financial liabilities	A	1,767	1,767	Level 2
<b>Current financial liabilities</b>				
Trade debts and other current debts	B	1,775	1,775	Level 2
Other current liabilities	B	662	662	Level 2
Current financial debts	B	10,548	10,548	Level 2
Other current financial liabilities	A	0	0	Level 2
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>119,811</b>	<b>119,811</b>	

FIGURES IN THOUSANDS OF EUR		30/06/2021	30/06/2021	
	Category	Asset value	Fair Value	Fair Value
<b>STATEMENT OF FINANCIAL ASSETS AND LIABILITIES</b>				
<b>ASSETS</b>				
<b>Current financial assets</b>				
Trade receivables	B	1,816	1,816	Level 2
Tax receivables and other current assets	B	2,634	2,634	Level 2
Cash and cash equivalents	C	1,650	1,650	Level 1
<b>TOTAL FINANCIAL ASSETS</b>		<b>6,100</b>	<b>6,100</b>	
<b>LIABILITIES</b>				
<b>Non-current financial liabilities</b>				
Non-current financial debts	B	76,902	76,902	Level 2
<b>Other non-current financial liabilities</b>				
Received deposits	B	106	106	Level 2
<b>Other non-current financial liabilities</b>				
Other non-current financial liabilities	A	1,254	1,254	Level 2
<b>Current financial liabilities</b>				
Trade debts and other current debts	B	722	722	Level 2
Other current liabilities	B	597	597	Level 2
Current financial debts	B	39,000	39,000	Level 2
Other current financial liabilities	A	0	0	Level 2
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>119,701</b>	<b>119,701</b>	



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 amortised cost.
- C. Investments held to maturity at amortised cost.

All the Group's financial instruments correspond to levels 1 and 2 of the Fair Value hierarchy. The valuation at Fair Value is done on a regular basis.

Level 1 in the fair value hierarchy holds cash and cash equivalents.

Level 2 in the hierarchy of fair values concerns other financial assets and liabilities for which the fair value is based on other information that can be determined, directly or indirectly, for the assets or liabilities in question. The valuation techniques concerning the Fair Value of the financial instruments of level 2 are as follows:

- The heading "financial fixed assets" concerns Interest Rate Swaps (IRS) whose Fair Value is determined using interest rates applicable on active markets, generally provided by financial institutions.
- The Fair Value of the other financial assets and liabilities in level 2 is almost 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 10. DEBT RATIO

FIGURES IN THOUSANDS OF EUR	30/06/2021	31/12/2020
Liabilities	121,888	122,039
- Adjustments	-4,602	-5,154
Debt burden pursuant to Article 13 of the RREC Royal Decree	117,286	116,885
Total assets	233,359	239,545
<b>DEBT RATIO</b>	<b>50.26%</b>	<b>48.79%</b>

The debt burden, as referred to in Art. 13 of the RREC-KB, amounts to MEUR 117.29 on 30 June 2021. The Debt ratio on 30 June 2021 is 50.26%.

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

Qrf must permanently comply with the financial ratios as imposed by the RREC Law. Unless it is the result of a variation in the Fair Value of the assets, the Debt ratio of a RREC may not exceed 65% of the assets, less the permitted hedging instruments, in accordance with Article 45 of the RREC Law. If Qrf's Debt ratio were to exceed 50%, it must take a number of steps, including preparing a financial plan in which it describes 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 not exceed 80% of Qrf's consolidated net operating result at any time. In addition, in certain financing agreements with financial institutions, a covenant has been agreed that Qrf's Debt ratio may not exceed 60%.

The Debt ratio is 50.26% on 30 June 2021. Pursuant to Article 24 of the RREC RD, the public RREC must draw up a financial plan with an implementation schedule when its consolidated Debt ratio exceeds 50% of the consolidated assets. The financial plan shall describe the measures that will be taken in order to prevent the consolidated Debt ratio from exceeding 65% of the consolidated assets. The financial plan shall be the subject of a special report by the Statutory Manager certifying that he has checked the manner in which it was drawn up, in particular with regard to its economic bases, and that the figures it contains are in agreement with those of the accounts of the public RREC. The general guidelines of the financial plan shall be included in the annual and half-yearly financial reports. The annual and half-yearly financial reports shall describe and justify how the financial plan has been implemented over the relevant period and how the public RREC will implement it in the future.

#### 1. Historical evolution of the Debt ratio

Qrf's Debt ratio was above 50% in the first half of 2021. At the end of the 2018, 2019 and 2020 financial years, the Debt ratio was 52.12%, 48.73% and 48.79% respectively.

#### 2. Short-term Debt ratio evolution

The following assumptions are taken into account when preparing the projection of the Debt ratio as at 30 June 2022:

- the calculation of the short-term Debt ratio takes into account the already planned (dis)investments for the changes in the portfolio. For more information on investments, we refer to the Note *Events after the balance sheet date*;
- the profit reserve takes into account the expected profit for 2021 and 2022 and the dividend payment (incl. estimate of subscription of optional dividend) for the financial year 2021.

Taking into account these assumptions, the Debt ratio as at 30 June 2022 would be 50.39%.

### 3. Long-term Debt ratio evolution

The Board of Directors aims for a maximum Debt ratio of 55% in the long term and considers this optimal for the shareholders of the RREC in terms of return and EPRA result per share. For each investment, the impact on the debt Ratio is examined and possibly not retained if this investment would negatively influence the Debt ratio. Based on the current Debt ratio of 50.26%, Qrf has an investment potential of MEUR 56.50 without exceeding a Debt ratio of 60% and an investment potential of MEUR 98.00 without exceeding a Debt ratio of 65%.

### 4. Decision

Qrf is therefore of the opinion that the Debt ratio will not exceed 65% and that no additional measures need to be taken at present in function of the prevailing economic and real estate trends, the planned investments and the expected evolution of the equity of the RREC. Should certain events require an adjustment of the policy of the RREC, this will be done without delay and the shareholders of the RREC will be informed in the periodic reporting of the RREC.

## NOTE 11. SCOPE OF CONSOLIDATION

As of 30 June 2021, the consolidation perimeter consists of Qrf and its subsidiaries:

- RAB INVEST NV, of which 100% of the shares 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 12. OFF BALANCE SHEET RIGHTS AND OBLIGATIONS

### N 12.1 COURT AND ARBITRATION PROCEEDINGS

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

In addition, a dispute is pending regarding the acquisition of the company Centre Commercial Hutois NV in Huy, whereby a dispute exists with the former owners regarding the regularisation of the building permit. The building permit has since been granted by decision of the Municipal Executive of the city of Huy taken on 1 February 2019, but the dispute is formally still pending.

### N 12.2 RENTAL GUARANTEES

There are no rental guarantees on properties owned by Qrf.

### NOTE 13. RELATED PARTY TRANSACTIONS RELATED TO THE INCOME STATEMENT

FIGURES IN THOUSANDS OF EUR

	30/06/2021	30/06/2020
<b>RELATED PARTY TRANSACTIONS</b>		
<b>XIV. General company expenses</b>	<b>328</b>	<b>373</b>
- <i>Remuneration for the Executive Management</i>	155	184
- <i>Remuneration for the Single Director</i>	136	146
- <i>Operating charges for the Single Director</i>	4	4
- <i>Remuneration for the Board of Directors and committees</i>	33	40
Trade receivables	0	-12
Trade debts and other current debts	35	40

### NOTE 14. POST BALANCE SHEET EVENTS

After the balance sheet date, Qrf concluded a binding purchase agreement on 20 July 2021 for the acquisition of the real estate located in Ghent, Veldstraat 88 based on a gross property value of MEUR 9, including costs and registration fees. Parties aim to finalise the transaction in the fourth quarter of 2021. With this acquisition, Qrf will have an additional strategic position in the Ghent city centre that it will redevelop into a sustainable complex, whereby both single-tenant and multi-tenant options will be considered.



## 5.8 AUDITOR'S REPORT



QRF NV  
Aan de raad van bestuur  
Gaston Crommenlaan 8  
B-9000 GENT

### **VERSLAG VAN DE COMMISSARIS OMTRENT DE BEOORDELING VAN DE TUSSENTIJDSE VERKORTE GECONSOLIDEERDE FINANCIËLE INFORMATIE VOOR DE PERIODE AFGESLOTEN OP 30 JUNI 2021**

---

#### **Inleiding**

Wij hebben een beoordeling uitgevoerd van de in bijlage opgenomen tussentijdse verkorte geconsolideerde financiële staten, bestaande uit de verkorte geconsolideerde balans, de verkorte geconsolideerde winst- en verliesrekening, het overzicht van het globaal resultaat, de geconsolideerde staat van de bewegingen in het eigen vermogen, het geconsolideerd kasstroomoverzicht, de staat van het resultaat per aandeel – aandeel groep en het detail van de geconsolideerde reserves over de periode van 6 maanden afgesloten op die datum, evenals de toelichtingen van QRF NV en haar dochtervennootschappen (samen “de groep”) op 30 juni 2021. De raad van bestuur is verantwoordelijk dat deze verkorte tussentijdse geconsolideerde financiële staten zijn opgesteld en gepresenteerd in overeenstemming met IAS 34 zoals goedgekeurd door de Europese Unie. Het is onze verantwoordelijkheid om een besluit te formuleren over deze verkorte tussentijdse geconsolideerde financiële staten op basis van onze beoordeling.

#### **Omvang van de beoordeling**

Wij hebben onze beoordeling uitgevoerd overeenkomstig de “*International Standard on Review Engagements 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. Een beoordeling van Tussentijdse Financiële Informatie bestaat uit het verzoeken om inlichtingen aan hoofdzakelijk financiële en boekhoudkundige verantwoordelijken, en het toepassen van analytische en andere procedures van beoordeling. De reikwijdte van een beoordeling is substantieel kleiner dan een controle uitgevoerd volgens “International Standards on Auditing” en laat ons bijgevolg niet toe om met zekerheid te stellen dat we kennis hebben van alle belangrijke gegevens die zouden geïdentificeerd zijn indien we een volkomen controle zouden hebben uitgevoerd. Wij brengen dan ook geen controleoordeel tot uitdrukking.

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### **Besluit**

Op basis van onze beoordeling is niets onder onze aandacht gekomen dat ons doet aannemen dat de bijgaande verkorte tussentijdse geconsolideerde financiële staten, in alle van materieel belang zijnde opzichten niet opgesteld zou zijn in overeenstemming met IAS 34 zoals goedgekeurd door de Europese Unie.

Sint-Stevens-Woluwe, 30 juli 2021

De commissaris  
PwC Bedrijfsrevisoren BV  
Vertegenwoordigd door

Jeroen Bockaert  
Bedrijfsrevisor

# 6 APM – Alternative Performance Measures

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Maastricht  
Grote Staat 58  
The Netherlands



# 6 APM – Alternative Performance Measures

The *European Securities and Markets Authority* (ESMA) has issued guidelines applicable since 3 July 2016 for the use and explanation of alternative performance measures.

Alternative performance measures are measures that Qrf uses in the presentation of its results that are not defined by law or by the *International Financial Reporting Standards* (IFRS).

Below is an overview of the alternative performance measures used in this annual financial report, with their definition, objective and reconciliation.

EPRA, the *European Public Real Estate Association*, is a non-profit organisation that represents listed real estate companies in Europe. EPRA represents 670 billion real estate assets. EPRA publishes recommendations for the determination of key performance indicators for listed real estate companies.

The publication of this data is not required by the regulations on public RRECs.

These figures were not audited by the Commissioner.

## 6.1 EPRA RESULT

**Definition:** Net income (Group share) mainly excluding portfolio result and the 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 performance of the company.

### Reconciliation:

FIGURES IN THOUSANDS OF EUR	30/06/2021	30/06/2020
<b>IFRS result (shareholders of the real group)</b>	<b>-2,526</b>	<b>-3,142</b>
(i) Changes in fair value of investment properties	6,321	6,790
(ii) Profit or loss on disposal of investment property	183	-46
(iii) Changes in the Fair Value of financial Instruments	-344	-192
(iv) EPRA amendments relating to deferred taxation	-400	
<b>EPRA result</b>	<b>3,234</b>	<b>3,409</b>
Weighted average number of shares	7,173,619	7,153,322
<b>EPRA result per share (in EUR)</b>	<b>0.45</b>	<b>0.48</b>



## 6.2 EPRA NAV

Net Asset Value according to EPRA Best Practices Recommendations.

### Definition:

- EPRA NRV is the net asset value that would be required to reconstitute the company.
- EPRA NTA is the net asset value in a business model with long-term investment properties.
- EPRA NDV is the net asset value in the scenario of a sale of the Company's assets.

**Objective:** This APM shows the Net Asset Value of the company under different scenarios.

### Reconciliation:

**30/06/2021**

FIGURES IN THOUSANDS OF EUR

	EPRA NRV	EPRA NTA	EPRA NDV
<b>IFRS NAV</b>	<b>111,473</b>	<b>111,473</b>	<b>111,473</b>
IFRS NAV/share (in EUR)	15.53	15.53	15.53
Diluted NAV at fair value	111,473	111,473	111,473
Exclude:			
(v) Deferred taxes related to the revaluation of investment properties	-77	-77	
(vi) Fair Value of financial Instruments	1,360	1360	
(vii.b) Intangible assets according to the IFRS balance sheet		-89	
Subtotal	112,756	112,667	111,756
Includes:			
(xi) Real estate transfer tax	6,714		
<b>NAV</b>	<b>119,470</b>	<b>112,667</b>	<b>111,473</b>
Number of shares	7,346,676	7,346,676	7,346,676
<b>NAV/share (in EUR)</b>	<b>16.26</b>	<b>15.34</b>	<b>15.17</b>

**31/12/2020**

FIGURES IN THOUSANDS OF EUR

	EPRA NRV	EPRA NTA	EPRA NDV
<b>IFRS NAV</b>	<b>117,507</b>	<b>117,507</b>	<b>117,507</b>
IFRS NAV/share (in EUR)	16.43	16.43	16.43
Diluted NAV at fair value	117,507	117,507	117,507
Exclude:			
(v) Deferred taxes related to the revaluation of investment properties	293	293	
(vi) Fair Value of financial Instruments	1,767	1,767	
(vii.b) Intangible assets according to the IFRS balance sheet		-9	
Subtotal	119,567	119,558	117,507
Includes:			
(xi) Real estate transfer tax	6,535		
<b>NAV</b>	<b>126,102</b>	<b>119,558</b>	<b>117,507</b>
Number of shares	7,153,322	7,153,322	7,153,322
<b>NAV/share (in EUR)</b>	<b>17.63</b>	<b>16.71</b>	<b>16.43</b>

### 6.3 EPRA NIY AND EPRA TOPPED-UP NIY

#### Definition:

- EPRA NIY: Annualised gross rental income, based on cash rents at the balance sheet date, excluding non-recoverable property costs, divided by the market value of the property, including estimated acquisition costs.
- EPRA topped-up NIY: The EPRA NIY, adjusted to take into account the expiry of rent-free periods (or other non-lapsed allowances such as rent-free periods and stepped rents).

**Objective:** This APM measures the underlying operating results of the company, excluding the result arising from fluctuations in the value of assets or liabilities and capital gains or losses realised on the disposal of investment properties.

#### Reconciliation:

FIGURES IN THOUSANDS OF EUR	30/06/2021	31/12/2020
Investment property	201,650	208,430
Assets held for sale	0	0
Project developments	0	0
Estimated transaction costs for the hypothetical disposal of investment properties	5,498	5,498
<b>Investment value of the property portfolio available for lease</b>	<b>207,148</b>	<b>213,928</b>
Annualised gross rental income	12,291	12,863
Property costs	-343	-632
<b>Annualised net rental income</b>	<b>12,231</b>	<b>12,231</b>
Notional amount at expiry of rent-free period	281	335
<b>Adjusted annualised net rental income</b>	<b>12,513</b>	<b>13,349</b>
<b>EPRA NIY</b>	<b>5.9%</b>	<b>5.7%</b>
<b>EPRA topped-up NIY</b>	<b>6.0%</b>	<b>5.9%</b>

### 6.4 EPRA VACANCY RATE

**Definition:** The estimated rental value of vacant spaces divided by the estimated rental value of the entire portfolio.

**Objective:** A "pure" (%) measure of the property space that is vacant, based on ERV.

#### Reconciliation:

FIGURES IN THOUSANDS OF EUR	30/06/2021	31/12/2020
Estimated rental value of vacant premises	331	318
Estimated rental value of the entire portfolio	10,874	11,091
<b>EPRA vacancy rate</b>	<b>3.0%</b>	<b>2.9%</b>

## 6.5 EPRA COST RATIO

**Definition:** Administrative and operational costs (including direct vacancy costs) divided by gross rental income.

**Objective:** A key measure of changes in a company's operating costs.

**Reconciliation:**

FIGURES IN THOUSANDS OF EUR	30/06/2021	30/06/2020
<b>Including</b>		
(i) Operating expenses (property expenses and overheads) as in the IFRS income statement	1,108	1,060
(iv) Other operating income/transactions, intended to cover general expenses, excluding profit margin	77	7
<b>Exclusive (if included in the above)</b>		
(vi) Depreciation	-4	-14
<b>EPRA costs (including direct vacancy costs)</b>	<b>1,181</b>	<b>1,053</b>
(ix) Direct vacancy costs	-20	-6
<b>EPRA costs (excluding direct vacancy costs)</b>	<b>1,162</b>	<b>1,048</b>
(x) Gross rental income less rent payable on leased land	5,547	6,629
<b>Gross rental income</b>	<b>5,547</b>	<b>6,629</b>
<b>EPRA cost ratio (including direct vacancy costs)</b>	<b>21.29%</b>	<b>15.89%</b>
<b>EPRA cost ratio (excluding direct vacancy costs)</b>	<b>20.94%</b>	<b>15.80%</b>

## 6.6 AVERAGE FINANCING COST

**Definition:** This is the average cost of financial debts. It is calculated by dividing the "Net interest cost" by the average amount of outstanding financial debt during the period.

**Objective:** The company's activities are partly financed by taking on debt. This APM measures the Average financing cost associated with these debts.

**Reconciliation:**

FIGURES IN THOUSANDS OF EUR	30/06/2021	30/06/2020
<b>XXI. Net interest cost</b>	<b>1,038</b>	<b>1,079</b>
Average weighted debt during the period	56,977	61,770
<b>Average financing cost</b>	<b>1.82%</b>	<b>1.75%</b>

## 6.7 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 the “Operating result before result on portfolio” by the “Net rental result”.

**Objective:** This APM measures the operational profitability of the company.

### Reconciliation:

FIGURES IN THOUSANDS OF EUR	30/06/2021	30/06/2020
Operating result before result on portfolio	4,347	4,632
Net rental result	5,458	5,760
<b>Operating margin</b>	<b>79.6%</b>	<b>80.4%</b>

# 7 Lexicon





Mechelen

Bruul 15 - Botermarkt 1

Belgium



# 7 Lexicon

## Acquisition cost

This refers to the value of the property at the time of purchase. If transfer costs have been paid, these are included in the Acquisition Value.

## 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.

## Benefit rate

The ratio of gross dividend per share divided by EPRA earnings per share.

## Board of Directors

The Board of Directors of the Single Director.

## Century Center Offices BV

The private limited liability company under Belgian law Century Center Freehold BV, with registered office at Pauline Van Pottelsberghelaan 10, 9051 Ghent, -registered with the Kruispuntbank van Ondernemingen under the enterprise number VAT BE 0564.823.476 (RPR Ghent, department Ghent).

## CEO

*Chief Executive Officer.*

## CFO

*Chief Financial Officer.*

## Commissioner

The Statutory Auditor of Qrf, i.e. PwC represented by Mr Jeroen Bockaert.

## Companies Code

Companies and Associations Code of 23 March 2019, B.S. 4 April 2019 as amended.

## Contractual Rents

The indexed base rental prices as contractually stipulated in the leases before deduction of any gratuities or other benefits granted to the tenants.

### Core Portfolio

The Core Portfolio contains the locations within Qrf's property portfolio that meet various criteria, such as: the attractiveness of the city (demographics, tourism, etc.), the positioning within the shopping area and the quality of the property for retailers. In addition, the Core portfolio also contains properties earmarked for redevelopment.

### Cushman & Wakefield Belgium

Cushman & Wakefield NV, a limited liability company under Belgian law, with registered office at Kunstlaan 56, 1000 Brussels, Belgium, registered with the Kruispuntbank van Ondernemingen 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 KvK 33154480, acting through its Belgian office located at Koningsstraat 97 (fourth floor), 1000 Brussels, Belgium, registered with the Kruispuntbank der Ondernemingen under company number BE 0418.915.383.

### Debt ratio

The Debt ratio is calculated as the ratio of the liabilities (excluding provisions, accruals and deferred income and other long/short term financial liabilities, i.e. the negative variations in the Fair Value of the hedging instruments) to the total assets. The calculation method of the debt ratio is in accordance with 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 annualised rental value used by the Property Surveyor in the valuation reports.

### Euronext Brussels

The regulated market of Euronext Brussels NV.

### Euronext Brussels NV

The limited liability company under Belgian law Euronext Brussels NV, with registered office at Markiesstraat 1 box 1, 1000 Brussels, registered with the Crossroads Bank of Enterprises under the enterprise number VAT BE 0242.100.122 (RPR Brussels, Clerk of the Dutch Language Court of Commerce Brussels), the Belgian market company that operates Euronext Brussels.

### Fair Value

The amount for which a building can be traded between knowledgeable, willing parties in an independent transaction. From the seller's point of view, it should be understood after deduction of transfer taxes or registration fees.

### Group

Qrf 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, based on Article 28 of the RREC Law.

### IFRS NAV per share

*Net Asset Value* per share according to IFRS. This value corresponds to the net value per share as referred to in Article 2, 23° of the RREC Law.

### Investment value or Gross Market Value or Value Not Specified

This value is equal to the amount at which a building could be exchanged between well-informed parties, agreeing and acting in conditions of normal competition. The market value includes any registration duties (10% in the Flemish Region and 12.5% in the Walloon Region and in the Brussels Capital Region) and notary fees or VAT (when it concerns a purchase subject to VAT).

### Market value

The market value is the estimated amount for which a property can be sold on the value date by a willing seller to a willing buyer in a market-based transaction, after proper marketing, where the parties have acted knowledgeably, carefully and without coercion.

### Net Market Value or Value for Purchaser

The Investment Value less the registration duties and notary fees or VAT.

### Non-Core Portfolio

The Non-Core Portfolio contains the sites within Qrf's property portfolio that do not meet the predefined criteria of the Core Portfolio.

### Occupancy Rate

The ratio of the Contractual Rents on an annual basis to the Contractual Rents on an annual basis plus the Estimated Rents on an annual basis of the vacant spaces.

#### 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 61:15, 2° of the Belgian Companies and Associations Code).

#### Property Expert

Cushman & Wakefield.

#### PwC

The civil company in the form of a cooperative company with limited liability PriceWaterhouseCoopers Bedrijfsrevisoren BV o.v.v.e. CVBA, having its registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, registered with the Crossroads Bank for Enterprises under the enterprise number VAT BE 0429.501.944 (RPR Brussels, Clerk of the Dutch Language Court of Commerce Brussels).

#### Qrf Management NV

The public limited company under Belgian law Qrf Management NV, with registered office at 8400 Ostend, Oud Vliegveld 12, registered with the Kruispuntbank van Ondernemingen under enterprise number VAT BE 0537.925.079 (RPR Antwerp, section Antwerp).

#### Qrf Netherlands BV

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

#### Qrf or the Company

The limited partnership in shares under Belgian law Qrf, a public Regulated Real Estate Company under Belgian law, with registered office at Gaston Crommenlaan 8, 9050 Ghent, registered with the Kruispuntbank van Ondernemingen under company number VAT BE 0537.979.024.

#### Quares Property & Facility Management BV

The private company with limited liability under Dutch law Quares Property Management BV, with registered office at Emmalaan 25, 1075 AT, Amsterdam, the Netherlands, registered at the Chamber of Commerce with KVK-number 34351584.

#### Rental income

The arithmetic sum of the rental income, after rental discounts, actually or contractually invoiced by Qrf, over the period of (part of) a financial year.

#### RREC

Regulated Real Estate Company, being a company incorporated for an unlimited period and exclusively engaged in an activity consisting of making real estate available to users, either directly or through a company in which it holds a participation, and, where applicable, owning real estate, licensed as such by the FSMA and governed by the RREC Law and the RREC Royal Decree.



#### RREC Law

Law of 12 May 2014 on regulated real estate companies.

#### RREC RD

The Royal Decree of 13 July 2014 on regulated real estate companies.

#### Shares

The shares, dematerialised or registered, without nominal value with voting rights that represent the capital and have been issued by Qrf.

#### Single Director

Qrf Management NV.

#### Transfer fees/Mutation rights

The transfer of ownership of a property is, in principle, subject to the collection by the State of transaction fees, which constitute the bulk of the transaction costs. The amount of these duties depends on the method of transfer, the capacity of the purchaser and the geographical location of the property.



**Qrf NV**

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